Daily Report

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'Thousands' Force Ships To Leave for Italy

AU0603193991 Tirana ATA in English 1912 GMT 6 Mar 91

[Text] Tirana, March 6 (ATA)—Over the last days, the seaport of Durres has been crowded by thousands of people who want to go to Italy through various transport, fishing, and port means. Boarding the ships at the port through force on March 5 and 6, they demanded their departure. The forces of order as well as those of the border were unable to face with the exodus of the people and although warned through megaphone and shots in the air, people managed to board on the ships and demanded their departure. They boarded on 15 different ships, which have left towards Italy. Another such attempt was made on March 5 with "Skenderbeg" ship, which did not have all its crew. Unable to maneuver, it crashed into the sourrounding wall of the port, and remained there gravely damaged. Many persons boarded the "Apolonia," "Liria" ships and "Kallmi" barge and left for Italy. Then thousands of people boarded the "Tirana" ship which had anchored with 11,000 tons of sugar. This ship too was forced to leave the Durres sea port. "Lezha" ship with about 300 people on its board went out of the port and being in danger of sinking asked for help from the "Alba" foreign ship which left for Italy as well.

The unloading of the ships with various goods such as sugar, rice, food for hens and others has been suspended in the sea port. The foreign "Ursus" ship returned without being completely unloaded with about 850 tons of rice.

According to reports, the ships which have left for Italy are carrying many children up to 10, 12 years, without their parents. Actually, the situation in the Durres port and that of Vlore continues to be tense and extraordinary. The entire activity of unloading the food articles has been suspended, thus causing difficulties in the people's supply with them.

In the meantime, measures have been taken for our ships and the foreign ones to stay out of the reach of other persons.

Villagers Flee to SFRY; Crowds Build in Tirana

AU0603200191 Tirana Domestic Service in Albanian 1900 GMT 6 Mar 91

[Interior Ministry statement issued in Tirana on 6 March]

[Text] A number of inhabitants of the village of Vrake boarded various vehicles on 6 March and set out in the direction of the state border with Yugoslavia. The local state authorities appealed to them to return, but they insisted that their representatives must talk with the Yugoslav side on the border. The Yugoslav side agreed to talk with them, and later replied that they were ready to accept these people on the basis of their nationality. Although agreeing to this, the local state authorities and the forces of order again appealed to the people not to take such a step, but they, explaining that they wished to return to the soil of their ancestors, stated that they were leaving, never to return.

In the last 24 hours, the Yugoslav side has returned 30 Albanian citizens who have crossed the border illegally.

On the same day, large crowds of people who were waiting at the port of Durres to go to Italy, encouraged by rumors that the embassies in Tirana would be opened to accept all those who wish to go abroad to work, headed for Tirana. As a result, since 6 March at 1000, increasing numbers of people have gathered outside the embassies and in some cases have attempted once again to enter them by force. The forces of order immediately intervened to disperse these people and to reestablish a state of normality.

Envoy Says Embassies Not Receiving Refugees

AU0603210091 Tirana ATA in English 1919 GMT 6 Mar 91

["Interview of the Dean of the Diplomatic Corps Accredited in Tirana, the Ambassador of Turkey, Teoman Surenkok, to the Albanian Radio and Television"—ATA headline]

[Text] Tirana, March 6 (ATA)—Following last week's incidents of violence, a calm atmosphere has prevailed in Tirana, until today when we suddenly became witnesses of new tensions. In this relation I was summoned at the Ministry of Foreign Affairs and there I was charged with the task of issuing a public statement in the mass media.

Today morning it was speculated that embassies opened again their doors to the refugees, as it happened last year. A great number of people believing these words gathered in the embassies' territory. I was asked whether these rumors were true or groundless. I said to the protocol head of the Ministry of Foreign Affairs, Kostaq Cifliku, that I unfortunately have not time at my disposal to consult my ambassador colleagues accredited in Tirana, but as I am asked to make such a statement not only as a representative of my country but also on behalf of the diplomatic corps accredited in Albania I may state as follows: that the embassies cannot be opened to admit refugees. Naturally, the embassies are representatives of the respective states and they try to develop relations between Albania and their countries. On this reason the territories of the embassies cannot be completely closed to the Albanian citizens when they have regular demands on their part, for example, demands for visas based on a regular passport or other demands to receive data and information on any problem related to one or another country. Only under these conditions the Albanian citizens are free to enter and exit these embassies.

In the capacity of the ambassador of Turkey I realize that Albania is undergoing a very delicate period. The multiparty elections, for the first time in the history of the

country, will be held soon, and the Albanian people are duty bound to present an atmosphere of peace and understanding for these elections. The time is very short and it should not be spent by gathering outside the embassies, but by contributing to the process of the democratization of Albania, which is eagerly welcomed by Turkey alongside other democratic countries.

PDSh Appeals Against Flight, Requests Aid

AU0603202891 Tirana Domestic Service in Albanian 1900 GMT 6 Mar 91

[Statement by the Managing Commission of the Democratic Party (PDSh) issued in Tirana on 6 March]

[Text] The Albanian people have in recent days experienced another very severe shock. After the reestablishment of relative calm, antidemocratic forces that aim to destabilize the situation, interrupt the electoral campaign, and prevent the conduct of free elections, have set the refugee scenario in motion, first in the city of Vlore and now in Durres and Tirana.

The Democratic Party [PDSh], aware of the serious economic and political causes that lie behind this mass emigration of the population—a national hemorrhage unprecedented in the history of our people from the time of Skenderbeg down to the present day—calls on you, our sisters and brothers, young people, and appeals to your consciences, democratic aspirations, and spirit in these difficult days for Albania, to realize that the country and the people have more need than ever before for all those who love democracy. They will stand firm and strive for the establishment of genuine democracy in Albania and not leave the homeland except in legal ways.

The PDSh appeals to you not to put yourselves at the service of the scenario of these forces that are attempting to destabilize Albania at all costs and to ensure that democracy does not win. The PDSh calls on you to place traditional Albanian prudence, maturity, and the sacred interests of democracy, which is now knocking at our door, above all else.

The PDSh demands that the government take urgent measures to improve the economic situation. It also calls on the foreign embassies in Tirana and their respective governments, through their stands and behavior, to contribute to preventing the development of this scenario that is fraught with very dangerous consequences for the democratic process in Albania. The PDSh calls on those governments that are interested in Albania's democratization to send urgent humanitarian aid, so the 31 March elections may be achieved calmly and that democracy may run its full course in our country.

Only genuine democracy is the real road of salvation for our nation, for our mothers and fathers, our young people, our children in kindergartens and cradles, and the future of Albania.

Independent Miners Union Also Appeals

AU0603205791 Tirana Domestic Service in Albanian 1900 GMT 6 Mar 91

["Appeal" issued by the United Independent Miners Union; place and date not given]

[Text] The recent events in the cities of Vlore and Durres, where thousands of people have gathered to leave the country without passports, have distressed citizens and have grieved the United Independent Miners Union.

At a time when conditions have been created to leave the country according to all international regulations, such behavior seem out of place to us because it creates disturbances for the normal lives of these townspeople. It could turn into a dangerous hotbed for the destabilization of the situation and could prevent the calm that is so necessary for the successful conduct of the free elections of 31 March. Moreover, this behavior seriously harms the image of the Albanian citizen and his public, national, and international reputation.

The appeal later states that we, the United Independent Miners Union, support the right of these citizens to leave the country, but the road they have chosen does not serve our national interests. Such scenes carried out in front of the European public not only damage the virtuous reputation Albanians have inherited through the centuries, but unintentionally harm the development of democracy in Albania.

The Independent Miners Union now involves about 200 enterprises in the Republic. As sanctioned in its platform, it will not only help to secure the employment of citizens abroad, but will also create conditions for them to enjoy our protection while abroad. We, therefore, call on all these citizens to return to normal life, putting national interests before their impatience.

IMF Delegates Meet Planning, Bank Officials

AU0603195191 Tirana ATA in English 1129 GMT 6 Mar 91

[Text] Tirana, March 6 (ATA)—On March 5, before noon, the chairman of the State Planning Commission, Leontjev Cuci, candidate of sciences, received at the State Planning Commission seat the working mission of the International Monetary Fund headed by Professor Mario Blejer [name as received].

During the meeting which passed in a warm atmosphere, the chairman of the State Planning Commission acquainted the members of the mission with the activity of this institution, its function and duties. He briefed them on the state of Albanian economy, the difficulties the country is in, as well as on the alternative how to overcome them by passing onto the free market economy. Leontjev Cuci said that IMF, as an important international forum, should contribute to granting technical and professional aid for the transition process to the free market economy, as well as financial aid.

Likewise, he said that we welcome your opinions and suggestions on various economic problems and voiced the confidence that the visit of this mission in Albania will make possible the realisation of the process of economic transformation and embarking of Albania as soon as possible in the processes of European and international integration.

Speaking on behalf of the members of this mission, Professor Mario Blejer said among others that we are glad to begin today the process of Albania's integration to the International Monetary Fund. I wish to mention that this is an historic moment. We are sure that Albania is welcomed in the great international family. Further on he dwelt on specific aspects of the problems this mission will deal with during its stay in Albania, particularly in the technical aspect which is important.

This is necessary, he said, because we will report also on the structure of your system and the plans and policy of this economic system. Laying emphasis on receiving a correct economic information, its mechanisms and function, he said that all endeavours will be made to place Albania parallel with other member countries of this international forum. Professor Blejer said that the fact that Albania has not been member of the International Monetary Fund, is not normal both for Albania and the IMF. I assure you that our mission will do its best to accelerate the process of Albania's integration in the International Monetary Fund.

After this meeting, the members of the mission started immediately to work in the State Planning Commission with Albanian experts of various fields of the economy.

On the same day, the general director of the State Bank, Niko Gjyzari, received the IMF mission, led by Prof. Mario Blejer. After wishing welcome, he spoke of the need of bank reforming in the context of the economic reform underway in our country, of aspects of the monetary policy and credit as well as of the tasks emerging in the context of the consolidation of the currency balance and mechanism, especially to overcome the difficulties our economy is passing as a result of the lack of currency means to meeting its needs, etc.

Replying the questions of the members of the mission, Niko Gjyzari pointed out the role of the bank with regard to the plan, the criteria of defining the currency courses, the latest developments in the monetary field, aspects of the currency system and payments, etc.

Prof. Blejer thanked for the welcome and voiced his readiness for the consolidation of cooperation between the IMF and the Albanian State Bank to solve the actual and perspective problems in the bank field.

The IMF mission, led by Prof. Mario Blejer, was also received by the minister of finances, Qemal Disha. He acquainted the members of this mission with the financial and budgetary system, the economic-financial state of the country and the difficulties it is actually meeting with. The minister concentrated especially on the reform to pass onto the market economy and the increase of the role of finances and budget, the greater initiative and responsibility for the realisation of the tasks on the part of each economic subject and the increase of their effectivity. He evaluated the IMF role and demanded the consolidation of cooperation and the need of technical assistance for financial questions.

On his part, Prof. Bejer thanked for the warm reception and the expose and voiced the readiness that besides the fundamental problems for Albania's adherence in this international organism, will give technical aid regarding the financial and budgetary problems in the framework of economic reform.

Popov Meets Soviet Trade Representatives

AU0703091491 Sofia BTA in English 2152 GMT 6 Mar 91

[Text] Sofia, March 6 (BTA)—Today Bulgarian Prime Minister Mr. Dimitur Popov received the economic adviser with the Soviet Embassy Mr. Igor Kareyev and Soviet Trade Representative Mr. Viktor Vasilyev.

They discussed the problems arising from the transition to free-market relations in connection with the fulfillment of the bilateral agreements signed last December. It was decided to seek mutually beneficial ways to cope with the difficulties encountered by bilateral deliveries.

The Bulgarian side expressed its concern over the impossibility to carry out barter deals due to their ban by a decree of the Soviet president.

Hungarian Foreign Minister Pays Two-Day Visit

AU0603214591 Sofia Domestic Service in Bulgarian 2030 GMT 6 Mar 91

[Text] Hungarian Foreign Affairs Minister Geza Jeszenszky arrived on a two-day visit in our country.

He is expected to meet President Zhelyu Zhelev, Prime Minister Dimitur Popov, [Foreign Affairs Minister] Viktor Vulkov, Grand National Assembly Chairman Nikolay Todorov, and several legislative leaders.

They will discuss problems of common interest and questions related to cooperation with Hungary.

On his arrival at Sofia Airport the Hungarian foreign minister explained that the preparation for the Bulgarian president's visit to Budapest will be one of the subjects discussed during his visit.

Urges Strong Bilateral Cooperation

AU0703091691 Sofia BTA in English 2155 GMT 6 Mar 91

[Text] Sofia, March 6 (BTA)—Hungary's Foreign Minister Geza Jeszenszky, who arrived here this evening, said that his visit will give an impetus to the development of bilateral relations and will mark the beginning of preparations for President Zhelev's forthcoming visit to Budapest.

"Hungary and Bulgaria should maintain close cooperation," Jeszenszky stressed. He explained that this applies to political cooperation and even more so to economic cooperation, and said that bilateral trade has marked a considerable drop. The Hungarian foreign minister hopes that in Sofia his hosts and he will agree on a series of negotiations that will rev up Bulgaro-Hungarian trade.

"Bulgaria and Hungary are not only traditional partners but they have had the same destiny in many respects," the Hungarian foreign minister said. Both countries are undergoing restructuring and are facing the same difficulties. He emphasized that despite its more serious problems, Bulgaria has chosen the right path.

Tomorrow, Jeszenszky will have talks with his Foreign Affairs Minister Viktor Vulkov. President Zhelev and Prime Minister Popov are expected to meet with Jeszensky.

Kurdzhali Political Groups View Ethnic Situation

AU0603201291 Sofia Domestic Service in Bulgarian 1830 GMT 6 Mar 91

[Text] Four members of the Sofia Regional Committee for the Defense of National Interests have been on hunger strike for the last two days in front of the Ministry of Education headquarters in Sofia. They support a proposal submitted by legislative member Rumen Vodenicharov and a group of deputies to the Grand National Assembly for a moratorium on decisions related to the nationality issue, as long as a specially appointed legislative group has not drafted a comprehensive and well-founded, long-term program on the country's nationality policy.

Our Kurdzhali correspondent Georgi Talev reported in a telephone message that after six hours of heated debates, the political forces of the city who discussed the difficult situation and the tension emerging in connection with the ethnic issue unanimously decided to sign a declaration to the Grand National Assembly insisting that tomorrow's plenary session examine the situation in Kurdzhali and adopt a decision on its normalization.

The opinions of the different political forces differed on the question of how each of them should accept the legislature's decision, irrespective of its contents, but all political forces agreed that in case of violations against public order, each political force is legally responsible for the situation.

The efforts to restore the provisional city administration in Kurdzhali failed again, despite the fact that the resignation of the local leadership handed in on 18 February 1991 was not accepted by the Council of Ministers' chairman, which means that the administration should legally continue to exist and exert its functions. Our entire public is perfectly aware of which political force refused to accept responsibility for the situation, which, considering all current circumstances, has no chance of improving tomorrow.

Considering that the local political forces are incapable of resolving their own problems, the fate of Kurdzhali should be entrusted to the Grand National Assembly. We have to wait and see what the legislature will decide.

Protesters Continue Blocking Streets

AU0703125891 Sofia Domestic Service in Bulgarian 1000 GMT 7 Mar 91

[Georgi Talev report]

[Text] For the fourth consecutive day, members and supporters of the Bulgarian National Radical Party in Kurdzhali organized 30-minute warning actions blocking traffic in the town.

Whereas during the first three days, only the lower part of Georgi Dimitrov Boulevard was blocked in front of the Kurdzhali Municipal Council building, today several groups blocked the squares in front of the bus station, other sections of Georgi Dimitrov Boulevard, and also blocked the traffic between the Old Town and the Vuzrazhdentsi Housing Complex at the new bridge across the Arda River. Officers of the regional directorate of internal affairs directed traffic to other side streets so traffic was not paralyzed. No serious incidents were allowed to occur, apart from the halting of an ambulance in Georgi Dimitrov Boulevard.

According to Mr. Mekhrop Muravyan, leader of the Bulgarian National Radical Party, the warning blockade actions will continue until the following demands set out in the party's declaration of 4 March are fulfilled:

The settlement of the nationality question should take priority in the forthcoming drafting and adoption of the new constitution, and the issue should be decided by a nationwide referendum.

Annulment of the decision of the Ministry of National Education on the experimental introduction of Turkish language classes in Bulgaria schools.

Conduct of a monetary reform, and the nationalization of savings in excess of 15 percent of basic wages.

Suspension of the present privatization until monetary reform is completed.

Launching of the "Fair Start" Economic Program.

Assembly Passes Bill on Outstanding Loan Interest

AU0603122091 Sofia BTA in English 1151 GMT 6 Mar 91

[Text] Sofia, March 6 (BTA)—Yesterday the legislature passed a bill on the settlement of outstanding debt payments under bank credits.

This concerns a large number of Bulgarians who have made housing deposits or are still repaying the loans received for the construction of housing. Inflation and the high interest rates on all credits introduced by the National Bank of Bulgaria have put these people in a very difficult position. While the MP's were discussing the bill yesterday, the building of the legislature was surrounded by representative of the Homes for All Movement which was founded spontaneously last year. Many of the speakers in the legislature presented long lists of voters who badly need housing accommodation.

After prolonged debates the legislature passed a special clause under which the government and the National Bank are obliged to present within three months a bill for setting up a financial institution that will handle savings and credits for building and purchasing housing accommodation and will try to settle in a just way the problem of outstanding payments and housing deposits.

Yesterday the legislature resumed its debates on the foreign exchange deals and control bill. There were disputes on whether the Bulgarians should declare the source of their foreign currency incomes. The bill is still discussed on first reading.

The legislative committees are discussing the foreign investment bill and the business bill.

The government keeps on submitting important economic bills to the legislature. When accused of being slow, the lawyers from the government's legal department said they worked round the clock. In reply to accusations made from the left, one of them told the BTA that the bills submitted to the legislature by ex-prime minister Andrey Lukanov's cabinet had to be withdrawn because they reflected outdated views and economic realities that are already past.

Monopolies Accused of Sabotaging Reform

AU0603145491 Sofia BTA in English 1424 GMT 6 Mar 91

[Text] Sofia, March 6 (BTA)—In the second month of the economic reform initiated by the cabinet of Prime Minister Dimitur Popov the opposition of the monopolies is still very strong.

Press reports say that this might be a sabotage. "Now the nomenklatura acts in a different way," says today's "DEMOKRATSIYA" that has in mind the economic managers who are closely connected with the Bulgarian Socialist (formerly Communist) Party. There are already cases of staging arsons and robberies in an attempt to cover up the bankruptcy of companies and enterprises. In the meantime private companies have started going into liquidation.

The monopolies maintain high prices of a lot of goods, especially foodstuffs which the Bulgarians, shocked with the reform, are not too keen on buying because they could hardly afford to. The strongest are the monopolies in Sofia and the other big cities. For weeks on end the newspapers have been running stories of foods thrown away or used to feed cattle in order to keep their price high. At the same time Bulgaria is receiving foreign aid and some people are starving.

The monopolists maintain their high prices, the Bulgarians do not buy their goods as a result of which the situation becomes even worse: The enterprises cannot sell their products and secure the funds required to pay compensations to their workers. According to the Podkrepa Labor Confederation, three quarters of the Bulgarian enterprises are in this absurd state.

Yesterday Prime Minister Dimitur Popov tried to soften the monopolists. "You should help the Bulgarian people survive," he said at a meeting with meat producers and merchants in Sofia. Mr. Popov pointed out that market prices do not necessarily mean exorbitant prices. The prime

minister emphasized that in the first month of the economic reform the customers' reaction has been more adequate than that of producers.

Both Prime Minister Dimitur Popov and Finance Minister Ivan Kostov know that the monopolists will hardly succumb to sentimental feelings. Mr. Popov and Mr. Kostov pointed out that the days of the monopoly are numbered because the privatization of the food industry will start in March.

Security Members Testify at Zhivkov Trial

AU0603183591 Sofia BTA in English 1644 GMT 6 Mar 91

[Text] Sofia, March 6 (BTA)—The former members of the Security and Protection Department (UBO): Boncho Bonchev, Slavcho Mikhailov, Georgi Georgiev, and Anka Mladenova, Todor Zhivkov's personal nurse and state security major, testified at today's hearing of the Zhivkov-Balev case. Another witness today was Georgi Vladikov, ex-head of the Secretarial Department of the Central Committee of the Bulgarian Communist Party (BCP).

The court sustained yesterday's objection of the defense in connection with the disclosure of information about the trial. Ms. Stefanka Stoyanova, the presiding judge, brought the requirements of the Penal Code to the journalists' notice.

More details became known about UBO's operation in service of the top officials and their families. The range of the so-called "entitled" was expanded to include the chief of the General Staff of the Bulgarian People's Army and the head of the Bulgarian Sports Union.

Mr. Georgi Vladikov, head of the Secretarial Department of the Central Committee of the BCP from 1958 to 1976, told the BTA about his own assessment of Zhivkov and his rule. In his opinion, the Bulgarian model of socialism was perverted by Todor Zhivkov's activity, so the whole responsibility should not be laid to Stalin's monstrous totalitarian model. Zhivkov came in the name of democracy, but he introduced barracks discipline in the BCP.

"Zhivkov's worst sins are the incessant economic reforms. I have long been asking myself, who is Zhivkov and did he wish the good of the party? Bulgarian economy was ruined due to his voluntaristic and authoritarian methods and decisions. Zhivkov liked to play at democracy, but he always did what he wanted," Mr. Vladikov said.

BSP Explains National Day Incident

AU0603220191 Sofia BTA in English 2050 GMT 6 Mar 91

[Text] Sofia, March 6 (BTA)—The Press Center of the BSP [Bulgarian Socialist Party] sent the following message to the BTA:

"On the eve of the 3rd of March the Sofia City Council extended an invitation to the BSP City Council for representatives of the party to attend the celebration of the National Day, including the formal ceremony in the Narodno Sobranie Square. In response to the invitation the leadership of the BSP authorized Mr. Andrey Lukanov, deputy chairman of the party, to represent it at the ceremony.

"The Presidium of the Supreme Council of the BSP believes that certain mass media ran ill-intentioned and tendentious commentaries on the presence of Mr. Andrey Lukanov among the officials attending the ceremony. It was not his presence that was puzzling but rather the absence of senior officials representing other political forces, despite their repeated declarations rendering homage to those who laid their lives for the people of Bulgaria."

Defense Ministry Views Events

AU0703091091 Sofia BTA in English 2158 GMT 6 Mar 91

[Text] Sofia, March 6 (BTA)—Bulgaria's Ministry of Defence sent the BTA the following message: "It is necessary to clarify some points in connection with the declaration of the Coordinating Council of the Union of Democratic Forces on 'certain facts' concerning the celebration of the National Day of the Republic of Bulgaria. Really, the formal ceremony on 3 March was attended by servicemen carrying military colours featuring symbols which look anachronistic under the circumstances. However, the management of the Ministry of Defence finds it improper and wrong to use this fact as a basis of conclusions on the depoliticization of the Army.

"It must be stressed that the military colours of the units of the Bulgarian People's Army were instituted and approved by a decree of the National Assembly's Presidium of September 7, 1950. Only the institutions that instituted them can alter them or rule that they should not be displayed at various rituals. This problem cannot be solved by declarations and street power. It is high time certain 'experts' on military problems stopped levelling groundless attacks which cause unnecessary tension. As far as the formal ceremony on the National Day is concerned, it should have been noticed that it was attended by only few officials which also gives food for thought.

"We believe that certain people have no reason to reproach the Ministry of Defence and question the depoliticization of the Army."

Decree Renames Khelbarovo to Tsar Kaloyan

AU0703091291 Sofia BTA in English 2154 GMT 6 Mar 91

[Text] Sofia, March 6 (BTA)—Bulgaria's President Dr. Zhelyu Zhelev has signed a decree renaming the town of Khlebarovo in the Khlebarovo Municipality (Razgrad Region) Tsar Kaloyan, as it was previously known.

Havel's Constitutional Proposals Outlined

LD0503193591 Prague CTK in English 1834 GMT 5 Mar 91

[Text] Prague March 5 (CTK)—New constitutions for the Czechoslovak federation, the Czech Republic and the Slovak Republic, including greater powers for the president, should be passed this fall and should take effect as of January 1, 1992, Vaclav Havel said at a press conference today.

Prior to the acceptance of the new constitutions both the Czech and Slovak National Councils (parliaments) will pass a "declaration on the will of Czechs and Slovaks to live in a common state," or declaration of coexistence, said the Czechoslovak president.

Havel then revealed his own proposals for strengthening the constitutional powers of the president and changing the structure of the Federal Assembly. In the president's scheme the Federal Assembly would be composed of a single 200-member chamber, instead of the present two-chambered body of 300 members. The president would have the right to dissolve parliament, for instance, in the case that parliament failed to take up a bill submitted by the federal government within five months of its proposal.

Havel's proposal also provides for the creation of a new authority, called the federal council. This council would have the right to return bills to the Federal Assembly along with written comments, to approve presidential decrees and endorse presidential declarations of referenda, and to elect the president jointly with the Federal Assembly.

The federal council would meet only as required and would be composed of 20 to 30 members, including the chairpersons and presidia of the Czech and Slovak National Councils.

Enlarged powers for the president would include the right to declare a referendum, but the approval of both the federal council and a 3/5 majority of the federal Cabinet would still be required. The president would have the right to name caretaker governments, would not be able to be recalled by parliament, and would not have the power to send laws back to parliament for revision without the concurrence of the federal council.

The president would be elected jointly by the Federal Assembly and the federal council. If no winner emerged after two ballots, the president would be chosen directly by popular election.

Havel noted that his proposal incorporates the recently passed bill of fundamental rights and freedoms and corresponds in every way to the current law on power-sharing between the federal and republic governments.

Havel's spokesperson Michael Zantovsky announced today the president will be visiting Norway, Sweden and Finland from May 21 to 26.

Gal Says Consensus 'Close' on Constitutions

LD0503163691 Bratislava Domestic Service in Slovak 1100 GMT 5 Mar 91

[Interview with Public Against Violence Chairman (VPN) Fedor Gal by Igor Matlon at a VPN briefing on 5 March—recorded]

[Text] [Matlon] A further round of talks on the preparation of new constitutions took place in the Vikarka [restaurant] in Prague yesterday afternoon. The public has received only sketchy information so far.

[Gal] For the first time, we wrote a joint communique, which Presidential Press Secretary Michael Zantovsky made available to the media. The public will see it tomorrow. At this moment, I would like to say one thing: We are close to a consensus. I believe and hope adoption of the constitutions will take place in a dignified manner, without conflict.

[Matlon] In the creation of constitutions, there are certain conflicts with the Christian Democratic Movement [KDH]. In your view, is it possible to solve these conflicts by consensus?

[Gal] They are. [as heard]

[Matlon] Vaclav Klaus said yesterday that, concerning the method of preparation and adoption of all three constitutions, both wings of Civic Forum [OF] are fundamentally in agreement. Does this also apply to Public Against Violence [VPN], which is presently basically differentiating itself as a movement?

[Gal] I am not aware of the existence of any streams of views within the framework of the VPN movement that would influence the work on constitutions in a positive way. I only know that there is a commission that was nominated by the Slovak Council of VPN, working within which are our leading constitutional lawyers and representatives of this movement: Alexander Dubcek, Prime Minister Meciar, Marian Calfa, Petar Zajac, myself, and others. The only collision that could take place would happen if one of the members of this commission stops working collectively.

[Matlon] To change the subject, Deputy Prime Minster Jan Carnogursky, who is responsible for the mass media, said yesterday on "Aktuality" that he is personally writing you a letter in connection with inviting diretors of what could be called the state mass media to meet VPN.

[Gal] The KDH not long ago invited Jozef Kucerak to its headquarters. We know that they also invited others of our leading representatives. I see nothing wrong in this. We were interested in problems connected with the activities of this institution, so we invited its director, that is all.

[Matlon] At this news conference, you said you do not understand why internal VPN problems were escalated through the television screen.

[Gal] No, I really do not understand it. VPN internal problems should be dealt with within the VPN framework. When somebody disturbs the public at large by giving it time bombs at dinner time, at lunch time, and before bedtime, I ask myself what he is after.

[Matlon] Is the VPN Slovak Council session on your agenda this afternoon?

[Gal] I expect that this top body of VPN will be able to take a stand on the problem that is causing difficulties at the moment, not only for our movement but also Slovak society.

[Matlon] A short while ago you claimed you would like to leave the political scene to go back to your old job. Today at the news conference, you said you do not consider such a return necessary anymore, if I can put it that way.

[Gal] I do not consider it possible. It is not my habit to leave such a difficult situation and go somewhere quiet, to leave the game.

Key Principles of Privatization Bill Outlined

AU0603161391 Prague RUDE PRAVO in Czech 27 Feb 91 p 2

[Unattributed report: "Principles of the Bill on Big Privatization"]

[Text] The bill sets forth the terms for the transfer of state-owned assets to Czechoslovak and foreign persons. It excludes from privatization property that had been owned by churches prior to 25 February 1948.

The transfer of property will be carried out on the basis of an approved privatization project. This project will, as a rule, be drawn up by the management of the enterprise that is to be privatized. The project is approved either by the Federal Ministry of Finance or by the pertinent body of state administration of one of the republics.

The privatization project comprises, in particular, the valuation of the enterprise, the method of dividing shares, and information on whether investment coupons will be used and, if so, to what extent. The method of settling claims arising from the bill on out-of-court rehabilitation must also form part of the privatization project.

Trade union bodies receive the privatization project only for information.

Following the approval of the privatization project, the property of the enterprise will be transferred to the Fund of National Property, which will transform this property into a shareholding company or another type of business corporation and sell its shares in accordance with the [method recommended in the] privatization project.

The bill also sets out the use of investment coupons in the privatization process. It defines the investment coupon as a registered security. The coupon is not transferable; the rights connected with it may only be transferred to one's heirs.

Every Czechoslovak citizen permanently resident on the territory of the Republic who is 18 on the day of the issuance of the coupons is entitled to them.

The coupons can be exchanged for the shares of privatized shareholding companies or for a stake in other types of business corporations.

In making use of his coupons, their holder may let himself be represented by another individual or by a company.

The bill provides for the establishment of the Federal Fund of National Property, to which will be transferred the property of enterprises, the founders of which are federal bodies of state administration.

The supreme body of the Fund is the Presidium. Its activity is managed by the Executive Committee and its conduct of business is overseen by the Supervisory Board.

Members of the Presidium, the Executive Committee, and the Supervisory Board and employees of the Fund must not be members of the boards of shareholding companies in the operation of which the Fund partakes. They must not purchase from the Fund its assets, except for shares purchased for coupons.

The specific rules for using the coupons will be worked out by the governments within three months after the passage of the bill.

'Abridged Version' of Economic Policy Memorandum

AU0503140991 Bratislava PRAVDA in Slovak 28 Feb 91 p 8

["Abridged version" of the "Memorandum on CSFR Economic Policy" sent by the CSFR Government to the IMF]

[Text] The Czechoslovak State Bank recently published a Memorandum on CSFR Economic Policy. Based on this document, containing approximately 30 pages (including 4 appendices), the IMF approved, at the beginning of January, loans for Czechoslovakia amounting to 1,738 billion U.S. dollars to supplement foreign currency reserves and to compensate for the crude oil price increases. Because of limited space, we are presenting an abridged version of the memorandum.

The CSFR economy is marked by inefficiency and defects that are the heritage of 40 years of central

planning. The current administration, having established a temporary government on 10 December 1989 after the fall of the communist regime and having been confirmed in the first democratic elections in June 1990, believes that the only practical and realistic way of improving the standard of living is the complete abolition of the institutions of central planning, lifting the regulation of prices, wages, foreign currency, and trade, and the radical transformation of ownership rights. IMF support is needed in 1991 for the realization of the key phase of this reform program, as well as during the period of adaptation to the harsh conditions of the trade shock ensuing from the disintegration of trade agreements between CEMA members and from the Middle East crisis.

Goals and Main Points of the 1991 Program

The government's economic program for 1991 will try to limit the drop in production to 5 percent (even if it is impossible to rule out a larger drop) and to reintroduce price stability after the first price shock, which is expected to reach 25 percent.

Despite the fact that unemployment will rise in comparison to its existing low level, it is expected that it could be kept at 350,000 persons (about 4.5 percent of the population that is capable of work).

The deficit in the current account balance is planned to reach about 2.5 billion dollars, which is the level that can be financed from outside sources and that corresponds to the long-term ability of our economy to repay this debt.

The main points of the program are as follows:

a. The liberalization of practically all wholesale and retail prices;

b. The substantial liberalization of the foreign currency and trade systems, consisting of the removal of obstacles in the operation of enterprises within the framework of the current balance of payments account;

c. The unification of trade and tourist exchange rates on the market level and the maintenance of stable foreign currency exchange rates to render the liberalization of domestic prices easier;

d. A restrictive budgetary policy that will create a surplus in the aggregate sum of all budgets amounting to about 1 percent of the gross national product (GNP);

e. A flexible monetary policy that will limit the growth of liquidity to 5.5 percent;

f. An income policy concentrated on wage growth control which will make it possible to avoid the inflationary spiral;

g. A swift program of small privatization by means of organizing auctions and a broad program of large privatization in which the public will participate via coupons.

Prices

As of 1 January 1991, wholesale as well as retail prices of almost all items will be liberalized. The government will closely monitor the price development of a certain number of items in the first months of 1991.

The volume of the range of goods subject to regulation will initially attain about 15 percent of the total production. We intend to limit the number of products included in the list of regulated items as soon as circumstances permit.

The government believes it is necessary to bring the level of domestic energy prices to the level of international prices to achieve rational consumption. For this reason, retail prices of electricity, heat, solid fuel, coal, and natural gas will rise by more than 100 percent after the subsidies for manufacturers and consumers are abolished as of 1 January 1991. It is expected that the liberalization of most prices together with a substantial increase in energy and other raw material prices and the movement of world prices will bring an about 25-percent price increase in the first three months of 1991. In harmony with the introduction of a strict fiscal and wage policy, however, the inflation rate in the remaining period of the year should drop to about 5 percent, as expressed in per-annum figures. The expected annual inflation rate is, therefore, about 30 percent.

External Economic Relations Policy

Foreign currency reserves will be closely monitored and their level will be reported to the IMF every week. In case of unexpected disturbances, the Czechoslovak State Bank and the IMF will judge the situation jointly. If any of the problems requires that supplementary measures be taken, such measures will be taken immediately.

Imports will require no import licenses. Some imports will be subject to approval to prevent disturbances in the production process. As soon as circumstances permit, these items will be removed from the list of items requiring approval and the obligation to have a permit will only apply to items concerning defense and health protection, and to voluntary restrictions on those items on which there are import quotas imposed by the partner countries. The government does not contemplate the introduction of any kind of new foreign currency restrictions or making the current restrictions more strict and it does not plan to introduce import restrictions because of the balance of payments.

It is expected that demands for imports may temporarily increase at the beginning of 1991 and exert pressure on foreign currency reserves; therefore, the government has introduced a temporary 20-percent surcharge on the import of consumer goods.

During the course of the program, the government will not introduce any bilateral agreement on payments that would contradict Article VIII of the agreement with the IMF.

Fiscal Policy

Public sector financing, composed of the federation's budget, the republican budgets, local organizations' budgets, and extra-budgetary funds (apart from the National Property Funds), will show a surplus of 8 billion korunas [kcs] in 1991, which equals almost 1 percent of the gross national product.

With the exception of foreign loans, the government will abstain from any financing outside the banking system.

It is expected that incomes in 1991 will principally be adjusted to the development of wages. Apart from this, a sum attaining 1 percent of the gross national product had been singled out for unemployment benefits, which is very little: These benefits will be paid at the level of about 50 to 60 percent of the salary previously received.

Planned compensations for the elimination of subsidies for energy, which will come into force as of 1 January 1991 (it has not come into force, PRAVDA editorial note) will be paid in the form of increased income to pensioners and children in the amount of kcs50 per month. Savings ensuing from this measure will reach approximately kcs4 billion. The system of compensations will be abolished in connection with income tax reform, or sooner, if necessary.

All direct subsidies in agriculture will be abolished in 1991—subsidies will be lowered from 4 percent to 2.5 percent of the gross national product. The remaining agricultural subsidies will be divided between the "Price Guarantee Fund"—which will stabilize prices of four basic types of foodstuffs—and special purpose subsidies such as, for example, subsidies for environment protection. The only substantial subsidies that will remain in force apart from the agricultural sector are housing subsidies—subsidies for the maintenance of state-owned apartments and for low fixed rates on loans. These housing subsidies will be revised during 1991 and the possibility of their substantial restriction in 1992 will be considered.

The budgetary balance is vulnerable due to a number of unforeseeable factors. The economic situation may become worse than currently expected, it can lead to lower tax revenue and to higher spending on unemployment benefits. This is why the state budget includes reserves amounting kcs3.5 billion, which will serve as insurance against these or similar circumstances. Should such unexpected circumstances threaten the budgetary surplus, then measures will be taken to eliminate their consequences.

Monetary Policy

Net credit to the public sector, apart from the National Property Fund, will drop during the year, which will allow an increase in credit to enterprises and households by 23 percent. This credit program should help the banking system provide credit to the new private sector. It should also help the privatization of small businesses, and it should allow the entrepreneurial sector to react to the new price structure and to market signals as well as enforce financial discipline. To the extent to which the further progress of the privatization program will increase the deposits to the National Property Fund in the banking system, additional scope will arise for providing credit to the private sector within the framework of the limits of net internal active balances in the banking system.

A complicating factor in 1990 was the sharp increase in the indebtedness of the entrepreneurial sector (indebtedness between enterprises) that is currently estimated to be about kcs40 billion, which equals 6.7 percent of internal credits, or 5 percent of the gross national product. The aim is to strengthen payment discipline in the entrepreneurial sector, among other things, by means of the measures approved by commercial banks that will initiate bankruptcy proceedings against the enterprises showing a loss.

Income Policy

It is estimated that, despite the subsidies provided from the state budget as compensation for the reduction in retail price subsidies, real wages dropped by 6 percent in 1990. Another drop in real wages in 1991 is inevitable if the price jump expected in the first months of 1991 is not compensated for by an inflationary spiral.

In accordance with this policy during the first quarter of 1991, an average growth of wages in governmental and nongovernmental sectors will be allowed to reach, at most, 5 and 6 percent above the comparable level at the end of December 1990. In the course of the year, wages will be adjusted at the end of each quarter according to this indexing method: (The 1991 general agreement of 21 January 1991 has set the tentative growth of wages and its adjustment to the development of the cost of living differently, PRAVDA editorial note).

(a) If the increase in the cost of living compared with the state at the end of December 1990 does not exceed 10 percent, wages will not be raised;

(b) if the increase in the cost of living compared with the end of December 1990 exceeds 10 but not 35 percent, an increase in wages will be permitted in the amount of 60 percent of the sum by which rate of growth of the cost of living exceeds 10 percent;

(c) if the increase in the cost of living compared with the end of December 1990 exceeds 35 percent, an increase in wages will be permitted by the sum specified in (b) plus an additional amount up to the maximum of 90 percent of the sum by which the rate of growth of the cost of living exceeds 35 percent.

The government is aware of the fact that the success of its stabilizing efforts depends on its ability to curb disproportionate wage hikes. Therefore, it discussed these plans with trade unions and enterprises, and secured their support.

Privatization and Financial Discipline of Enterprises

The privatization of a majority of the assets owned by the state is an important element of the economic transformation program. The law on privatization of small state enterprises adopted by the Federal Assembly in October 1990 assumes that these enterprises will be sold in public auctions. Preparations for these auctions are currently taking place and the actual auctions should be conducted in early 1991. It is expected that the sale of these small enterprises will be completed in 1991.

The more complex issue of the privatization of larger state enterprises is currently being debated in the government and the necessary legal measures will apparently come into effect at the beginning of 1991. A flexible approach would be welcome. The transformation of large enterprises into smaller, more competitive units, registered as shareholding companies—particularly when enterprises with a market monopoly are concerned—will be encouraged. A portion of shares in most enterprises will be reserved for distribution among the population by means of coupons. Offers by investors will be considered for the remaining shares. If there are no offers, the enterprise management will be compelled to sell the shares on the regular stock market. To simplify the process, we intend to establish an appropriately regulated stock exchange during 1991. Foreign participation in the privatization process will be supported. Foreign investors will be able to purchase shares in Czechoslovak companies, hold a majority of shares, and even establish wholly owned companies.

A bankruptcy law will come into effect in the first half of 1991 to simplify the winding up of insolvent enterprises.

Forecast of the Development of the Balance of Payments and IMF Financing

The planned deficit in the balance of payments current account in 1991 is $2.5 billion. It is expected that, combined with the inflow of foreign capital and capital-market loans, the difference will be financed from the resources of the official balance of payments subsidy, including the subsidies from the IMF, European Community, and the World Bank.

The plan for the size of the gross foreign exchange contingency fund and the level of the decline that, if exceeded, would result in consultations of the Czechoslovak State Bank with the IMF have also been set. Moreover, regarding securing Czechoslovakia's access to IMF resources in the coming years, the government must endeavor to restrain itself from any purchases or partial purchases that would increase the gross official contingency fund over and above $3 billion.

According to the plan, by the end of 1991, the foreign debt in convertible currencies, including the IMF loans, should reach $12 billion, or 37 percent of the gross domestic product, and the debt service should amount to approximately 11 percent of the revenues on the balance of payments current account in 1991. With respect to these goals, the state will not grant or guarantee loans lasting less than 1 year, with the possible exception of financing of current trade, and it will limit the size of newly granted or guaranteed loans with a life span of 1 to 12 years so that they do not exceed $1 billion in 1991.

Klaus Unhappy About Approval of Minimum Wage

AU0603173991 Prague ZEMEDELSKE NOVINY in Czech 4 Mar 91 p 2

["mel"-signed report: "A Fateful Step of the Trade Unions?; V. Klaus Speaks in Karlovy Vary on Economic Problems"]

[Excerpts] Karlovy Vary— Federal Finance Minister Vaclav Klaus visited the western part of our republic this Saturday [2 March]. [passage omitted]

During a two-hour debate in the congress hall of the health spa in Karlovy Vary, he replied to a multitude of questions concerning political but chiefly economic issues. Some of his statements are definitely worth noting. He described, for example, the enforcement of a minimum wage of 2,000 korunas [a month] as a fateful erroneous step of the trade unions as this move will supposedly cause the dismissal of employees whose wages are below this limit. "This proposal would have never been approved, were it not for the efforts exerted by representatives of the [Civic Forum] Liberal Club in the government," Mr. Klaus added. He also delivered his opinion on the serious economic problems faced by a number of enterprises and on their high level of indebtedness. Many of them are themselves to blame for their difficulties, be it because they have mutually increased their prices or because they produce or sell articles that fetch them no profit. "Counting on the state to resolve one's problems is bolshevik thinking," Minister Klaus said. [passage omitted]

Czech Prime Minister Pithart Leaves for RSFSR

LD0603101391 Prague CTK in English 0817 GMT 6 Mar 91

[Text] Prague March 6 (CTK)—Czech Prime Minister Petr Pithart left here this morning for Moscow on a three-day visit at the invitation of his Russian counterpart Ivan Silayev.

Pithart's meeting with top representatives of the Russian Federation will be the first contact between the Czech Republic and the Russian Federation on such a high level since the November 1989 revolution in Czechoslovakia.

The prime minister is accompanied by the Czech industry minister.

Union Assembly Discusses Crisis, Czech Industry

AU0503123591 Prague MLADA FRONTA DNES in Czech 28 Feb 91 p 2

[Zbynek Fiala report: "Enterprises Are Warning"]

[Text] Zlin— The majority of our enterprises have found themselves in a state of deep insolvency. This was declared by Zbynek Hanak, president of the Union of Industry of the Czech Republic, at the union's general assembly in Zlin yesterday. The assembly was attended by representatives, including directors, of 340 Czech enterprises. In a petition that the union submitted to the Federal Assembly on 19 February, together with the Union of Industry of the Slovak Republic, it declared that the enterprises have found themselves in this situation as a result of the "ill-considered restrictive fiscal, credit, and monetary policy of the federal government." Z. Hanak stressed that the Union of Industry wants to present opposing views, but it does not want to be in opposition to the government. It wants to partake in the solution to the critical situation of industry. Industrial enterprises' potential to survive should be assessed, in particular, on the basis of their long-term chances of marketing their products on export markets, as this will evidently decide the entire future of our economy.

"It is not true that restrictive financial policy as such is the main cause of problems," said Federal Deputy Finance Minister Ivan Kocarnik. This policy is an objectively inevitable instrument of fighting inflation and curbing the growth of prices. The level of companies' insolvency increased, however, by 45 percent—that is, by 25 billion korunas [kcs]—in the month of January alone and amounts now to kcs73.6 billion. In a situation when the price level increased by between 25 and 30 percent, the volume of credits has increased by a mere 0.5 percent. The Federal Ministry of Finance conducted intensive negotiations last week on this peculiar conduct of the commercial banks.

"The harshness of restrictions [on the volume of credits] must be alleviated," said Ivan Kocarnik. Zdenek Cincera, director of the Czechoslovak State Bank Head Office, addressed the assembly on the possibilities of the credit system. The volume of money in circulation will increase 20 percent this year. Because the rate of inflation will reach 30 percent, there will actually be less money. According to Zdenek Cincera, only those who come to the bank first and present a clear development concept will have a chance [to obtain credit]. Enterprises could also replace credits through trade with promissory notes, the law on which dates back to 1950. Commercial banks have been given the chance to take promissory notes into account and to obtain additional credit resources for them. In addition, a securities market is to go into operation in April, initially through the medium of banks.

Czech Minister of Industry Jan Vrba presented very bleak statistical figures to illustrate the financial situation of enterprises in the Czech Republic. Exports to the USSR, which only last year accounted for 30 percent of the industrial output of the Czech Republic, will decline to one-third of their former volume if things go very well. There is no market for about kcs80 billion worth of [formerly exported] output. Demand on the domestic market has dropped by between kcs15 and 20 billion, and the decline of investment activity means the loss of a market for an additional kcs70 billion worth of output. The marketing crisis in the Czech Republic thus concerns production worth 165 billion korunas. Exports to the West have increased (this year they could go up by 20 percent), but this is far from enough to offset the loss of other markets. Communication between the government, the entrepreneurial sphere, and the trade unions must not be interrupted in this difficult moment. "Neither strike alerts nor disregard for the companies' problems will help," said Minister Vrba. "Enterprises must also come to an agreement among themselves. A [Skoda] Favorit that costs kcs150,000 is suicidal for both Skoda and its suppliers."

The last to speak was Federal Minister of Economy V. Dlouhy. "We welcome the petition," he told the assembly. "It, too, represents a form of communication." At the same time, he took a stand against the defeatist mood in the first months of the reform. As he said, the critical state of our economy would remain undercover for a long time to come, had no extensive steps been taken.

Czech Parties Worried About VPN Crisis

AU0603144391 Prague CTK in English 2054 GMT 4 Mar 91

[Text] Prague March 4 (CTK)—Casting doubts on the legitimacy of the Public Against Violence (VPN) leadership is a dangerous step which might threaten not only VPN coalition ties but the whole modern concept of a federative state on which the Civic Forum and VPN worked together, a Civic Movement spokesman told CTK today.

Lubor Kinst, spokesman for the Preparatory Committee of the Civic Movement, said his movement believes that the further development in the VPN will strictly proceed from the latest VPN congress (Topolcany, February 22-23) conclusions which fully confirmed the legitimacy to the VPN leadership. This leadership is now being attacked by Milan Knazko.

Spokesman for the Self-Government Democracy Movement—Society for Moravia and Silesia Zdenek Vyhlidal said that no one has the right to interfere in the internal affairs of the VPN but his movement is convinced their settlement would be beneficial to the integrity of the Czechoslovak state in the context of a future Czechoslovak Federative Republic.

First Deputy Chairman of the Czechoslovak People's Party Jan Marek said that his party wishes the VPN and the Slovak Government to settle their internal problems without any interventions from outside.

Spokesman for the Preparatory Committee of the Civic Democratic Party Milan Kondr said the committee agreed not to comment on the situation saying it is an internal affair of the VPN.

Spokesman for the Czechoslovak Communist Party Josef Hora said the developments in the Slovak Government and the VPN are a question of crisis of the government policy and the relation of the government parties to the government itself.

New VPN Group To Hold Congress

LD0603145391 Prague CTK in English 1309 GMT 6 Mar 91

[Text] Bratislava March 6 (CTK)—Slovak Prime Minister Vladimir Meciar said today that his new group within the Public Against Violence movement [VPN], for Democratic Slovakia, is supported by 16 of the 42 districts in Slovakia, including the Bratislava and Kosice (East Slovakia) city districts, as well as government members.

He told CTK that the rules of the new group are to be worked out within a fortnight and a congress will be held within a month.

Meciar's explanation of the differentiation within the VPN was that the VPN leadership turned away from the movement's original program, is not defending Slovakia's interests and does not consider Slovakia's specific conditions in pursuing economic reform.

Meciar said the VPN leadership with Fedor Gal at its head would have never dared to attack him if it had not "the blessing of some functionaries in Prague." He rejected accusations of nationalism, as well as the possibility of resigning but admitted he could be dismissed from his post.

Kucerak Denies Power Struggle With Meciar

LD0603195691 Bratislava Domestic Service in Slovak 1730 GMT 6 Mar 91

[Interview with Slovak Deputy Prime Minister Jozef Kucerak by unidentified reporter on 6 March; place not given—recorded]

[Text] Here is an interview with the political opponent of Slovak Prime Minister Vladimir Meciar, that is with Slovak Deputy Prime Minister Jozef Kucerak. Our first question was whether his statement, published in the Slovak press today, to the effect that he cannot work in such a government and that he would rather leave, is truthful.

[Kucerak] In time I might consider it quite seriously, because I can really see that there is rivalry between two concepts. In my view, this is the last attempt to apply a concept that is geared toward restoring the socialist style of approach.

[Reporter] Your statement, which appeared in the Slovak press, to the effect that you cannot and do not want to work in this sort of government could also be understood in a different way: that you or your group want Prime Minister Meciar to leave the government.

[Kucerak] This is a matter for political talks, because we are representatives of a political movement, and this is what I proceed from. This was actually the reason why a controversy arose between the prime minister and the Public Against Violence. My belief is that each politician should be accountable to a specific group of people, to specific people or to groups that elect him, and must not refer to the anonymous mass of people, to the nation. This is sort of playing a role of leader; we know this, and, unfortunately, we have bitter experience of this. I, therefore, think that the political movement that sent me here to the government should make a decision on how to proceed. I would like to point out, however, that there is certainly no power struggle in the background, because one of the principles of the economists is that an economist should never be on top; he can only give advice, and I believe in this in my professional life. Therefore, nobody needs to worry that I would like to be prime minister, because it is not true.

[Reporter] If your platform won in this struggle, would you accept the position of prime minister?

[Kucerak] I promise, I never would.

Thousands Attend Rally Supporting Meciar

LD0603224991 Bratislava Domestic Service in Slovak 1730 GMT 6 Mar 91

[Jan Janosik report in Bratislava]

[Excerpts] I have just returned from the meeting that was attended by around 6,000 or 7,000 people and was a continuation of yesterday's meeting. It was organized by the group called Voice of Slovakia and the (?Agres) publishing house.

First, moderator Martin Savel justified the absence of Meciar, Knazko, Budaj and Markus, whom they tried to invite to today's meeting, but who were heavily occupied by other duties. The beginning of the meeting was clearly focused on support for Prime Minister Meciar. The mediator of this support is the (?Agres) publishing house round that a group of journalists have gathered. They believe that the unity of the Slovak people is important. The moderator stressed that if anyone trys to say that Mr. Meciar, since he joined the government, has not devoted all of his time to working for the people, for the salvation of our economy and culture, he will be wrong. [passage omitted]

I also learned from the platform that support for Prime Minister Meciar and for the new platform is being received from many parts of Slovakia. [passage omitted]

Yesterday's meeting also received a petition that was distributed for signatures today. It should also be transported throughout Slovakia as soon as possible. This is the wording of the petition:

We, citizens of the Slovak Republic, dissatisfied with the current development of the political situation, are expressing our resolute support for Slovak Prime Minister Vladimir Meciar and the politicians surrounding him within the framework of the new platform. Any attempts to recall him from his post must be based on a popular referendum. This is how we see a guarantee that the Slovak Government will defend the interests of the Slovak people and not foreign interests. We ask all the numerous representatives of politics, culture, economy, Army and security components in Slovakia to unite their efforts in the struggle for Slovak sovereignty. [passage omitted]

[Prague CTK in English at 2223 GMT on 6 March in a shorter report says that "10,000 people" attended the rally in National Uprising Square in Bratislava and that a "similar meeting of about 3,000 people took place also in Kosice, East Slovakia, one of the bastions of the new VPN platform"]

VPN Reacts to Meciar's Allegations

AU0603162591 Bratislava NARODNA OBRODA in Slovak 4 Mar 91 p 2

[Statement issued by Public Against Violence movement representatives on 3 March; place not given: "A Destabilizing Nervous Influence on the Public"]

[Text] Instead of Prime Minister Vladimir Meciar's regular Sunday address, the Slovak public listened with surprise to a speech delivered by Minister Milan Knazko. We gained the impression from M. Knazko's speech that he spoke on behalf of those individuals who did not accept the results of the Public Against Violence [VPN] movement's republican assembly. We have all seen and heard the results, and we know that the assembly proceeded democratically and that the majority of delegates rejected attempts to make changes in the VPN leadership, that it did not accept the direct election of the chairman, and that it did not place Prime Minister Meciar at the head of the movement. We are of the opinion that the delegates from individual Slovak districts were well aware of what they were doing when they decided this. We also expected that the VPN minority faction would respect the assembly results.

In fact, for a longer time before the assembly, the prime minister has not participated in the movement's activity and in the work of the movement's regular bodies (coalition talks, sessions of the Ministerial Club, VPN Slovak Council meetings, VPN Clubs of Deputies, etc.). Since the VPN assembly took place, any communication from his part has been severed.

Unfortunately, M. Knazko, who has also not participated in the movement's work for a long time, said even more untruthful facts tonight. For example, it is not true that the movement wanted to impose censorship on the prime minister's television speech. It is not true that a dispute between the VPN Coordinating Center and the prime minister is involved. The truth is that respect, or lack of respect, for the decisions made by the whole movement is the issue. It is an outright fabrication to say that some kind of extraneous intentions or designs are being implemented in the work of the movement's bodies. The only thing that we are doing is trying to fulfill all the points of the election program "A Chance for Slovakia," while not placing one of its components above another.

Milan Knazko spoke during the time allocated to Prime Minister Meciar. We do not know if he spoke for himself or on behalf of the prime minister—or on whose behalf he spoke for that matter. We will get to know all of this. In our opinion, however, declarations of this type have a destabilizing effect, they create images of an enemy, and they make the public nervous.

The VPN Slovak Council, convened for this week, will apparently discuss this case. We believe that its members will adopt a standpoint that will benefit the movement and democracy.

Signed: F. Gal, M. Dziak-Kosicky, M. Butora, M. Ziak, J. Flamik, V. Cecetka, J. Langos, M. Simecka, J. Hacaj, J. Stevove, J. Pisut, P. Hollander, E. Valko, M. Sutovec, Z. Mistrikova, S. Michalic, J. Kucerak, P. Zajac, F. Miklosko, M. Blaha.

VPN Rival Factions Clash in Radio Debate

AU0603144591 Prague CTK in English 2001 GMT 4 Mar 91

[Text] Bratislava March 4 (CTK)— It is not a government crisis, it is a political problem of the movement which will be settled within the VPN Slovak Council, Slovak Deputy Premier Jozef Kucerak said in a radio debate today.

Slovak External Relations Minister Milan Knazko, Slovak Minister for Administration and Privatization of National Property Augustin Huska, and Slovak parliament deputy and member of the VPN Slovak Council Vladimir Cecetka also participated in the debate on the situation in the Public Against Violence (VPN) movement in connection with yesterday's TV address delivered by Milan Knazko.

After hearing the stand of Slovak Prime Minister Vladimir Meciar, Kucerak said that Knazko and Meciar got separated from the movement but added the conflict will be settled in a peaceful democratic way and that the VPN Council will decide in a few days about the further development.

Knazko said the view he expressed in the TV speech was not directed against certain persons but that it was the principle of the thing that made him say it. Explaining

why he rarely attends meetings of the VPN Ministers' Club he said the "Club has no decisive power, decisive talks and decisions take place outside the club."

Cecetka denied the Club demanded any censoring of or intervening in the addresses of Meciar or anyone else. He also protested against Knazko's statement that the VPN is a branch of another force. "The movement has always been an independent part of political life," he added.

Meciar Interviewed on VPN Problems

LD0603175491 Bratislava Domestic Service in Slovak 1100 GMT 6 Mar 91

[Interview with Slovak Prime Minister Vladimir Meciar by Magda Pospisilova and Michal Tvarozek in Bratislava; date not given—live or recorded]

[Text] [Pospisilova] Mr. Prime Minister, one topical question: Mr. Calfa said yesterday that the group that left last night's session [of the Public Against Violence—VPN—council] has not defined itself as yet. You have been heading it, one could say. Can you introduce yourselves—politically, how many of you are there?

[Meciar] I have not headed the group, I was invited into it yesterday and also before that, but only yesterday I accepted the invitation for the first time [word indistinct]. It was a group that last year already spoke very critically against that which was happening in the VPN. It was the so-called Trnava initiative, which presented many proposals to improve VPN activities. The first reaction was that they were told that they belonged somewhere else, not in the VPN. The proposals were presented in such a way for an extraordinary VPN assembly to be convened, but a certain time has passed since, and then the contents of the talks did not give the replies that the initiative group expected. Thus its members logically waited yesterday to see what the proceedings would be and decided that they would leave the assembly, or the VPN council. At the beginning of the council session, they asked me to do the same. When I saw what happened to the letter from Mr. Dubcek, I concluded that the manipulations had exceeded the tolerable level, and I left with them.

[Tvarozek] What in fact happened to the letter from Mr. Dubcek? In your opinion, why was it read out so late? What information do you have about this?

[Meciar] I did know about this letter from Mr. Dubcek. I talked to him, and he sent the letter at 1551. The Coordinating Center received this letter—it would have influenced the businesslike character of deliberations and stands of individual speakers, because it was exceptionally important. This is why this letter was concealed, and only at the request of delegates, members of the council who hinted that such a letter does exist, was the letter finally read. Its contents were so important that the deliberations then moved to a more businesslike level. I think that a letter from the chairman of the Federal Assembly should not be shelved or ignored when it comes as a viewpoint and is addressed to political bodies. It is not possible to find out why Mr. Dubcek was not invited to attend the consultations, despite the fact that he has been proposed as a member of the council, and he did not even know about the session, unlike some others who previously held a much more favorable view toward the Coordination Center. Besides Mr. Dubcek, Mr. Cic, for example, was not invited and did not know that such a session would take place; thus those deputies who previously, in the legislature, in the federal one, held critical views on the work of Mr. Gal and others, simply did not receive invitations.

[Pospisilova] So can you, in fact, tell us the specific content of the letter, and is it possible to say now what side or what platform Mr. Dubcek and others are leaning toward?

[Meciar] Mr. Dubcek gave me very firm support, and he pointed out the mistakes that were being made. Mr. Dubcek is not one of those who could be described as the uninformed public. He is very well informed about everything, and because of this, he clearly stands on the same platform as myself, or I am on the same one as he.

[Tvarozek] Until now, the VPN presented itself as a guarantee of stability in our society. Now it has broken up. Will this, in fact, be a certain social crisis, not to speak of a political one?

[Meciar] I do not think so. If we distinguish ourselves by what was different about us, and we identify ourselves as two units now, but still within the framework of VPN, then this will mean progress. You may have noticed that, after the split, the people in the party breathed a sigh of relief, but the relief was in becoming aware that it is nonsense for internal tension to continue; Furthermore, it is senseless for unfair means to be used so that one side can be the victor at any cost. That is why I initially proposed that we should part on good terms, and when it was not possible on good terms, then it was done in the way in which the split happened. I think it will help society to be able to identify itself with various political streams, because VPN is and remains internally more differentiated.

[Pospisilova] Mr. Prime Minister, which element in the other platform did you not like or not agree with—national, personal, social, economic or....

[Meciar, interrupting] Above all, it is a very marked suppression of internal democracy. In fact, the first time I heard people laughing out loud in VPN was when I visited the Trnava initiative. At the other one, they were sort of rigid [words indistinct] about what they would say, how it would be evaluated or whether it would be analyzed, whether the sociology group would [word indistinct] in the program and evaluate each word you say, where you stand. So it was somewhat different. Moreover, we got used to the fact that it was not worth opposing anything, and if somebody said something [word indistinct] there was talk of information noise, and so on. These were steps taken which were not correct, and that is why we put ourselves in a new situation.

[Tvarozek] To what extent are accusations true that you are overemphasizing the element of national socialism, and that you are in fact pushing through those structures, or the realization of those structures that were not successfully pushed through in 1968?

[Meciar] This assertion is worthy of the intelligence of its author. As far as pushing of the national element is concerned, for me this is given by the constitution that Slovakia must be, must remain, a sovereign state unit, because if it is not sovereign, it cannot give up any of its sovereignty to anybody. In the field of the economy, we recognize the general principles of economic reform and those things taking place under concrete conditions. And we must find out why, while there are half as many of us in Slovakia, we have more unemployed, we must know which sectors of the economy to wind down, which ones to encourage, we must know what will happen to the energy industry, and if someone in the government does not know how to answer this and is criticized for it, he cannot describe these attempts as a social movement or rather as national socialism.

The essence of the dispute lay elsewhere. We held different views on the concept. The essence, however, lay in how to understand the inner mechanisms of democracy. After all, for example, I was or I am a prime minister, but the Coordination Center was interfering with the personnel policy to such an extent that it submitted to us a proposal to (?change) one minister. It was not I, however, but a Coordination Center member, who presented the reasons. So the proposal was presented by a Coordination Center member, although I mentioned (?that it was to be done) two months beforehand [words indistinct]. Another case is when the constitution is drafted in the secretariat of the prime minister and when things are manipulated to halt the progress of these matters so they would not be exposed. These are very distasteful matters, and it was impossible to go on asking Gal or Zajac whether I am allowed or not allowed to do this or that. It is I who am the prime minister, and I have responsibility to everyone, and I must fulfill it. Or should it be the case when they speak, and I do things? It is impossible!

[Pospisilova] Mr. Prime Minister, could you tell us what your view is on the so-called Meciar-Kucerak duel? Mr. Kucerak allegedly said last night that he was unwilling to go on working in the government when certain methods with which he disagrees are used. Is it possible to ask for the first step [words indistinct].

[Meciar] Mr. Kucerak himself must be able to cope with his pronouncements. He had a chance to speak on this topic in the government, but in the government he would simply be unable to speak like this, because other members of the government would throw him out. We sit there, we know what the truth is, and we know what Mr. Kucerak said in the assembly. His speech was agreed upon beforehand, I knew its content because although [words indistinct]. I did not respond to the majority of Mr. Kucerak's points. Not because it would not be possible. My not answering him was simply not worthwhile [words indistinct].

[Tvarozek] Permit me to ask a final question, since it is the interval now, and you will probably hold your pre-arranged meetings with other members of the government. Will you stand for the post of the chairman of this faction of yours, so to speak, or of this group of yours?

[Meciar] I do not think so. There are a number of able people there. Why should I be the chairman? A faction is also developing in the Federal Assembly and here in the Slovak National Council. Some deputies and some members of the government are joining it today. So this is usual in here. An assembly will be convened soon, and the assembly will elect its bodies in a proper manner.

[Tvarozek] Who will be your coalition partner?

[Meciar] Well, all other parties already in the coalition. We shall have to resolve our internal relations within the VPN with the present council; however, we shall be able to do this after new bodies are constituted. In the meantime, we have announced the start of our existence and our independent work.

[Pospisilova] Mr. Prime Minister, with which Civic Forum club will you cooperate?

[Meciar] I would not put this issue that way. We shall cooperate with everybody who wishes to cooperate with us, even though some of them will be closer to us in terms of views they hold.

[Tvarozek] So we thank Prime Minister Meciar for this rather lengthy conversation, which upset the schedule of this news bulletin.

Slovak Coalition Parties View VPN Split

LD0603213991

[Editorial Report] Bratislava Domestic Service in Slovak at 1100 GMT on 6 March broadcasts a seven-minute report on the view of the Slovak coalition parties of the split which has occurred in the Public Against Violence (VPN) movement. The report begins with remarks by Greens Party Chairman Peter Sabo, who notes that the split in the VPN is a result of a natural process. The split could have been implemented in a more civilized manner, he says. Sabo contends that since the VPN is a leading political movement, "its noisy quarrels will definitely contribute to social instability." He says it is

difficult to side with either of the two streams in the VPN, because not enough information is available. Marian Andel of the Slovak National Party (SNS) says he, too, regards the split as a natural process, adding that "this is an internal problem for the VPN and we cannot interfere with it." Andel says the SNS regards this development as an attempt to distract public attention from the drafting of the constitution. Nonetheless, the SNS wants to focus public attention first and foremost on the drafting of the constitution, which it regards as the most important document for Slovakia, says Andel. When asked about Slovak Prime Minister Vladimir Meciar's position on an independent Slovakia, Andel notes that Meciar "behaved in a very Slovak manner on many occasions," and says he hopes Meciar will continue this behavior in the future. Peter Weiss of the Party of the Democratic Left [SDL] is the next to prevent his views on the split in the VPN. Weiss says that the VPN dispute is first and foremost about political and constitutional conceptions and about the conception of economic reform. He says: "This dispute is about the way in which the citizens of the Slovak Republic will be treated—whether they will become only passive victims of economic reform devised and managed by Prague, or whether social interests of Slovakia's citizens will be observed." As for Meciar and the term independent Slovakia, Weiss says Meciar's philosophy of federation "is not liked by a section of the Czech political representation." The accusations of populism leveled against Meciar will not hold, he says: "Perhaps behind the accusations is a jealousy of some politicians that they are not so popular." Social Democratic Party Chairman Boris Zala was the last of the Slovak political leaders asked to speak about the split in the VPN. He says he feels that a VPN split into political streams, such as Christian-Democratic, Liberal, and Social Democratic ones, would be very beneficial for Slovakia. He notes that the political orientation of these streams "is not clearly defined." This is linked with the nationality issue. Asked about the future orientation of his party in light of the future crystalization of the VPN, Zala notes that the VPN aims at democracy and social and national issues. "We are open to a VPN platform which might develop into a social democratic stream. They should be open to us, and I think that the Slovak political scene could be newly reformed." Prague Domestic Service in Czech at 1500 GMT on 6 March carries a similar one-minute report that says that representatives of the Liberal Union of Slovakia said at a 6 March news conference that the crisis within the VPN is not simply an internal affair of the movement, as the VPN is a leading political force. Members of the Liberal Union of Slovakia expressed their support for the concept of a state treaty between two sovereign republics and only a consequential creation of the federal constitution.

VPN Conflict Affects European Stability

LD0603213791 Prague CTK in English 2007 GMT 6 Mar 91

[Text] Bratislava March 6 (CTK)—Chairman of the Slovak Council of the Public Against Violence movement (VPN) Fedor Gal said here today commenting on the VPN conflict that at stake is not only Slovakia, a small country in Central Europe, but stability in the region as a whole.

Speaking at a briefing, Gal added that "from the international point of view the Slovak political scene must be viewed by experts as irresponsible".

Late last night, the Public Against Violence which is a coalition partner of its sister organization in the Czech lands, the Civic Forum (OF), split into two factions. OF also split into two parts at its congress on February 23.

Gal said he saw no reason for recognizing the legitimacy of the VPN-for Democratic Slovakia faction formed around Slovak Prime Minister Vladimir Meciar. "They have not yet said who they are, they have only walked out," Gal added.

He rejected confrontation between the two streams saying "we regard dialogue as the principle that the Slovak political scene is built on".

At an earlier meeting with journalists, Gal rejected drawing a parallel between the split in the Civic Forum and that in VPN. According to him, OF split over two different political concepts—of the liberal centre and the right. VPN split over different interpretations of the national dimension of the movement's program. This may be an erroneous explanation, Gal said, adding the situation will be clearer when the new grouping presents a political platform.

Carnogursky Interviewed on KDH Economic Program

AU0603173691 Prague RUDE PRAVO in Czech 1 Mar 91 pp 1, 3

[Interview with Jan Carnogursky, Slovak first deputy prime minister and chairman of the Christian Democratic Movement, by Igor Sirota; place and date not given: "I Am Not an Eminence Grise"; first paragraph is RUDE PRAVO introduction]

[Excerpts] Christian Democratic Movement [KDH] Chairman Dr. Jan Carnogursky is often described as the eminence grise of Slovak politics who, on more than one occasion, has amazed and flabbergasted the public by his points of view. The KDH has even caused the federal prime minister to raise a warning finger several times, and he has also been "reproached" by the Castle. We talked to the Slovak first deputy prime minister and KDH chairman about his points of view.

[Sirota] Prime Minister Calfa recently warned his coalition partner—that is, the KDH—that if it does not support government economic reform, the federal government can do without Christian Democratic ministers. You have remained in the federal government. Does this mean that you have withdrawn from your own economic program?

[Carnogursky] In reality, things are not so dramatic as they are made out to be. We have not yet completely presented our economic program to the public. This is one aspect of the matter. The other is that we are not worried about our ministers being pushed out of the government. Incidentally, I am unable to forget the great interest shown by the Civic Forum and constitutional officials in ensuring that the KDH entered the government. Our decisionmaking on our economic program or on other key issues will be decisionmaking on the crux of the issue; whether our participation or lack of participation in the government will be dependent on our point of view is of secondary importance.

[Sirota] If you were to be given a choice—the KDH's economic program or participation in the government—which would you prefer?

[Carnogursky] First of all, I want to say that our economic program is not a fundamental digression from the government's economic reform approved by us. We are more concerned about some of its impacts, first and foremost, on Slovakia and on socially weaker sectors of society; in this regard, we are calling for an improvement to the reform. However, we are not rejecting the reform itself.

[Sirota] Another bone of contention within the grand government coalition is the KDH's point of view that the new constitution should be drafted on the basis of a state treaty between both national republics. Is my deduction correct that you are opposed to a tripartite federation but in favor of a confederation?

[Carnogursky] Yes. We are opposed to a tripartite federation, but we are not opposed to a bipartite federation. A bipartite federation would exclude the possibility of the majority's will being imposed on Slovakia. We reject a tripartite federation because, on the contrary, it would not exclude this possibility. Moreover, we consider it to be too complicated. In this case, we are more in favor of a confederation.

[Sirota] What do you say to the arguments against your proposal by Presidential Press Spokesman M. Zantovsky that the KDH's proposal could mean not only the dissolution of our state within a few minutes, but also—and mainly—several months of establishing a body that could sign a state treaty on behalf of representatives of both republics?

[Carnogursky] I think this argument is groundless. I repeat that the current law on the federation—No. 143 from 1968—is based on an agreement between two nations represented by National Councils. This means that the necessary bodies already exist; they are the National Councils. They can conclude a treaty. Second, our proposal would not mean any legal interruption of our Republic's continuity. On the contrary, continuity would be confirmed in the treaty. [passage omitted]

[Sirota] Social aspects are supposed to be highlighted in the KDH's economic program. You yourself were even astounded when it was said that "it would be paradoxical if we found ourselves dangerously close to the communists' concept." In what does the KDH concur with left-wing forces?

[Carnogursky] This is an awkward question for me. Despite this, I will answer it. Whether our program really concurs with those of left-wing forces and to what extent it concurs, I will leave to the consideration of others, including the left-wing forces. Perhaps we concur in the view that during this transitory period—from a planned economy to a market economy—specific state intervention in the economy is probably necessary. The other matter is to make sure that the state looks after the socially weaker sectors and guarantees employment for the young, less qualified workers and others. There should be special social programs for large families and backward regions. [passage omitted]

[Sirota] You go to confession. Among the political "sins" you are accused of is the fact that, apparently, deep down you are striving for an independent Slovakia. Is this really a sin you should confess?

[Carnogursky] My vision is not an independent Slovakia. The era of independent states obviously belongs to the past, and we want it to belong to the past. My vision is for Slovakia to be sovereign and equal in a community of states.

As far as your question is concerned, if I were striving for an independent Slovakia, I do not think it would be a sin I would have to confess. I hope that theologians would confirm my point of view.

[Sirota] You speak about a sovereign and equal Slovakia; however, you stated that Slovakia should have its own seat in the community of European nations. Do you not want this sooner?

[Carnogursky] I am not striving for separatism or the dissolution of the CSFR; however, I am in favor of involvement in an integrated Europe so both nations can enter into it equally. This means having our own chair and our own star on the flag.

I know that my point of view is interpreted in the Czech Lands as follows: "at the moment" we are in the CSFR and then.... I can only say that this is not the case.

[Sirota] Your 30,000 strong KDH is sometimes described as a coalition partner prepared to abandon the coalition at the appropriate moment and to enter into new elections with great enthusiasm. Are you expecting them sooner? What kind of success do you want to have in them?

[Carnogursky] We are not striving for early legislative elections. We recognize the legitimacy of the elected bodies and governments. The KDH has not demanded that early elections be held, and we have not threatened to withdraw from the government. On the contrary, we have heard several times on the part of our coalition partners that they could get by without the KDH. If such a situation were to arise, we would not balk at it.

[Sirota] Do you have the same opinion about restitution as Prime Minister Meciar?

[Carnogursky] No. First, I do not view the situation as dramatically as Mr. Meciar. Second, in Slovakia the number of small businessmen with fewer than 50 employees was so overwhelming that restoring their property would, in our opinion, accelerate privatization. [passage omitted]

Hungarian TV Accused of Interfering in Census

AU0503165591 Bratislava NARODNA OBRODA in Slovak 4 Mar 91 p 4

[Tibor Ferko commentary: "Hungarian Assistance for the Census; If It Is Panorama, It Must Be Interference"]

[Text] If it is Friday, it must be Panorama—says a popular slogan heralding the equally popular Hungarian television program Panorama. One cannot deny the program's high level of professionalism and wide appeal. Even a thief can be a professional, which—and I emphasize this—is not meant to equate Panorama with a thief. In the Friday, 1 March, edition, teacher Erzsebet Dolnokova mused about the fear [of Hungarians in Slovakia] to acknowledge that one is a Hungarian; historian Gyula Popaly about the "disgraceful stain on Czechoslovakia's legislation," by which he meant the language law; and Deputy [to the Federal Assembly for the "Coexistence" movement] Miklos Duray about the denial of the minorities' right to census forms in their native language. Andras Sugar, the moderator, made the introductory and closing remarks. Only Deputy [to the Slovak National Council for the "Coexistence" movement] Laszlo Dobos did not let himself be tempted by the cheap idea of agreed-upon resistance [sentence as published]. The subject matter for all of them was the same—the census or, rather, the rather mysterious fear of official fraudulent tempering with the Hungarians' identity.

Because the minorities in Czechoslovakia did not receive census forms in their native languages, Panorama assumed the role of a mediator and consultant and told Hungarians in Slovakia (the advice did not concern the Czech Republic) how to fill in columns No. 12 and No. 13: "Do not leave the space empty but write Hungarian [nationality] and Hungarian [mother tongue]"—that is the exact quote. The next statement is also a quote and it came from Andras Sugar: "We are not dispensing advice, we are only making known instructions published in the Hungarian press."

As everything was published in the press, why is Panorama repeating the same thing and why is it doing it so demonstratively, in an openly imploring tone, thereby repeating its infamous practices from the time of the election campaign? The professionals in Panorama aim at their target with 100 percent precision, but does Panorama have to interfere in the affairs of another country? Does Mr. Duray not avail himself of sufficient opportunities in his own movement, in the domestic media, but also in the legislative corps to make his influence felt?

I will complete the quote: "I will only be happy if the Slovaks and Serbs living in Hungary also acknowledge their nationality. That has nothing to do with nationalism. That is human honor."

Andras Sugar once again saw the world's wide horizons and context without seeing as far as his nose. I will help him. The quote below comes from Miklos Palos, the Hungarian Government's former state secretary for minority affairs, who has not, however, been Panorama's guest to this day: "An overall count of the minorities living in Hungary has actually never taken place. The existing data is incomplete. To give you an example: During the 1980 census 11,000 people said their mother tongue was Slovak, while 9,000 people declared that their nationality was Slovak. The first thing we would need to know is whether those who speak in the name of the minorities are actually also its representatives. We have found out that individuals who organize the minorities from above work according to certain plans and distort data."

Let us say frankly that, just as there existed re-Slovakization, even several waves of it, Panorama will hardly be able dodge the undeniable historical truth that there occurred an enforced Hungarianization of the minorities in the last decades of the monarchy, a process that has not ended to this day. Furthermore, it is no longer the monarchy, Apony, Horthy, Teleki, or the Stalinist or post-Rakosi dictatorship that is to blame for it. Yet Deputy Miklos Duray is claiming minority rights on the television of a law-governed state that does not yet have a law on minorities and ethnic groups and that has not taken a credible count of them to this date. This, however, is an affair of the sovereign Hungarian state.

MNI General Assembly Elects New Chairman

AU0503164391 Bratislava NARODNA OBRODA in Slovak 4 Mar 91 p 2

["NO, If"-signed report: "Support for Parliamentary Democracy"]

[Text] Galanta— Delegates to the seventh General Assembly of the Hungarian Independent Initiative [MNI] in Galanta represented the movement's 102 local groups.

Whereas Coexistence and the Hungarian Christian Democratic Movement are in opposition, the MNI is a member of the government coalition, together with the Public Against Violence movement, the Christian Democratic Movement, and the Democratic Party.

The session did not adopt any changes to the movement's fundamental principles. The movement embraces multi-party parliamentary democracy, in

which every national, ethnic, or religious group upholds and asserts its interests in the spirit of mutual understanding and tolerance.

The general assembly elected a 30-member MNI national leadership and the movement's leading functionaries. Laszlo A. Nagy, deputy chairman of the Slovak National Council, was elected MNI chairman. Karoly Toth, the previous chairman, has become MNI leading secretary.

Minority Group Leader on Recent Conference, Tasks

AU0403155491 Budapest MAGYAR NEMZET in Hungarian 26 Mar 91 p 5

[Interview with Miklos Duray, chairman of the Coexistence Political Movement in Slovakia, by unidentified reporter in Kosice over the weekend: "One Should Not Constantly Retreat"]

[Excerpts] [MAGYAR NEMZET] In your speech, you spoke about division, disintegration, and possible attempts to gain power; however, nothing of the sort occurred in your conference.

[Duray] I think the deputies refrained from talking about this because only outsiders would like such a rupture in our movement.

[MAGYAR NEMZET] Do you deny the existence of an internal opposition that does not agree with your relentlessness or radicalism, and tries to guide the movement in another direction?

[Duray] Indeed, we have such an internal opposition but, as far as I know, this is only an insignificantly small group. In my opinion, the members of this group are realistic enough to admit that their activity would lead to a very narrow-minded policy. [passage omitted]

[MAGYAR NEMZET] Now that the Independent Hungarian Initiative has left the Slovak liberals, do you think that there is now a possibility for the Hungarians in Slovakia to unite?

[Duray] This can only take place if the political forces of the Hungarian minority leave the government parties. [passage omitted]

[MAGYAR NEMZET] I noticed at your conference in Kosice that there were people who opposed your view and called for increased attention to the sensitivity of the Slovak people and for less radicalism.

[Duray] My speech contained radical elements, but the program of our movement is not radical. To implement this program, however, we need a substantially tougher—or more radical—line than before. We cannot conduct a lukewarm policy under the current conditions of the Hungarians in Slovakia. It is a fact that the minority is weaker and perhaps there are areas in which we have to retreat; however, one should not constantly retreat. If we do this, we will eliminate ourselves. [passage omitted]

Defense Minister on Dissolution of Warsaw Pact

LD0603162991 Prague CTK in English 1509 GMT 6 Mar 91

[Text] Prague March 6 (CTK)—Czechoslovak Defence Minister Lubos Dobrovsky described the dissolution of the Warsaw Pact military structures as another step towards the restoration of Czechoslovakia's full sovereignty.

He said at a regular Army briefing today that the first step was the Czechoslovak-Soviet agreement on Soviet troops withdrawal from Czechoslovakia signed in February 1990. (The last units will leave the country before the end of June 1991).

According to the minister the sovereignty of Warsaw Pact members was formally and physically limited. The Pact worsened Czechoslovakia's security position as its troops invaded the country and remained there against the will of its government and people.

The defence minister described the NATO military structures as the guarantee of European security. He recalled the agreement on cooperation between armies signed between Czechoslovakia and Hungary and Czechoslovakia and Poland. He stated that they do not serve as a basis for military cooperation but for exchanging information and possible cooperation in the education of the military staff. Czechoslovakia, Poland and Hungary are not setting up a new bloc and have no intentions to do so, he stressed.

Reacting to certain information about alleged attempts to make the Czechoslovak Army a subject of political struggle, i.e. to use it in settling future power and political struggle, the minister said the Czechoslovak Army is "a reliable protector of democratic principles of this state" able and ready to fulfil all tasks required by law.

Dobrovsky said Czechoslovakia has elaborated the fundamental principles of the state defence strategy and basic conceptions of operational plans for a possible variant of a threat to the state. He said the Army is a federal body and from the strategic point of view the state must remain as a whole.

The Czechoslovak antichemical unit in the Gulf will not be withdrawn from the area for the time being. This situation will change the very moment when the situation in the Gulf will be consolidated and when units in the rear of which the Czechoslovak unit has been operating start to be withdrawn, said Dobrovsky.

He refused to answer a question about the cost of the Czechoslovak Army redeployment (Czechoslovak units are to be proportionally deployed throughout the territory—up to now they operated mostly in the western regions of the Czech Republic). He said he would not answer the question as "it is not a good one".

Small Border Contacts With Poland Reestablished

AU0503144291 Bratislava PRAVDA in Slovak 1 Mar 91 p 2

[CTK report in the "Briefly From Home" column: "Border Contacts With Poland"]

[Text] On the basis of CSFR Government Decree No. 89 adopted on 14 February 1991, as of 1 March border contacts between the CSFR and the Polish Republic will again be initiated in accordance with the 1959 agreement. The stipulations contained in this agreement pertain to citizens of both states who reside in the border contact zones. As of 1 March 1991, individuals crossing the state border between both states may, on the basis of single entry passes, export—without authorization and surcharges—items as gifts whose value does not exceed 50 korunas when exporting from the CSFR and 100,000 zlotys when exporting from the Polish Republic.

Investment Agreement Signed With Demark

LD0603190791 Prague Domestic Service in Czech 1430 GMT 6 Mar 91

[Text] The foreign ministers of Czechoslovakia and Denmark, Jiri Dienstbier and Uffe Ellemann-Jensen, today in Prague signed an agreement between the two countries on support and mutual protection of investments.

Aspects of European policy were also discussed. According to Jiri Dienstbier, Denmark supports us in talks on the association agreement with the European Communities.

Changes in Bulgarian Financial Relations Planned

AU0403184091 Prague CTK in English 1633 GMT 28 Feb 91

[Text] Prague Feb 28 (CTK)— The new exchange rate between the Czechoslovak crown and the Bulgarian lev should be based either on the exchange rate between each of the currencies and the dollar or on the rate of exchange in world banks, an official from the Bulgarian Embassy's trade council said here today.

The current official exchange rate of the lev is 20 to 28 leva per dollar. But while Czechoslovak citizens can purchase one dollar for 28.54 crowns, they pay not one crown but eight for a single lev.

According to Todor Dzhulgerov, the Czechoslovak and Bulgarian finance ministers will meet sometime next month to come to an agreement on a realistic exchange rate.

Dzhulgerov noted that the compulsory currency exchange requirement for tourists to Bulgaria will be abolished in the near future. The current requirement for visitors not travelling with an organized tour is 15 dollars per day.

Also speaking at the press conference was the Bulgarian Army and Air Force Attache, Nikola Nochev, who welcomed the dissolution of the Warsaw Pact's military structures, saying that NATO can guarantee the development of a new all-European security system.

Terms of Joint Hungarian Bank Agreement Outlined

AU0503100391

[Editorial Report] Bratislava NARODNA OBRODA in Slovak on 1 March on page 5 carries a 400-word interview with Hungarian National Bank President Gyorgy Suranyi by Tibor Ferko, NARODNA OBRODA reporter in Budapest, entitled "On the Convertibility of the Koruna and the Forint." The interview, the place and date of which are not given, deals with the terms of the agreement that Suranyi and Czechoslovak State Bank Chairman Josef Tosovsky signed in Budapest on 27 February. Implications of the agreement for Czechoslovak tourists are the subject of a 150-word unattributed announcement in Bratislava PRAVDA in Slovak on 1 March on page 2.

Under the agreement signed in Budapest, Czechoslovak and Hungarian tourists will be able to purchase the currency of the other country for their national currency, rather than for dollars. The total amount of Czechoslovak currency that Hungarian tourists may take with them to Czechoslovakia has been raised from 600 to 1,000 korunas. Czechoslovak korunas in excess of this limit may be taken to Czechoslovakia only in the form of traveler's cheques.

According to Suranyi, the agreement also contains principles for determining the koruna-forint exchange rate. The exchange rate "will not be pegged directly" to the two currencies' exchange rates against the dollar; however, "the guiding principle in the exchange rate policy of our two states will be flexibility" and the "law of supply and demand."

Although the agreement concerns only "noncommercial payments," Suranyi says that both sides "want to establish conditions for the national currencies to play their role in commercial payments as well." This would allow private and state companies to purchase korunas and forints "freely" and to trade with their partners without the use of third currencies. Ferko mentions that Suranyi has accepted an invitation to Prague "in the early summer" to discuss that issue.

Bratislava PRAVDA in Slovak on 1 March on page 2 carries a 150-word unattributed announcement entitled "Sale of Forints." According to the announcement, all Czechoslovak citizens above 15, as well as children under 15 possessing their own passport, are now able to purchase an "unlimited amount of forints." Because of internal Hungarian regulations limiting the import of the Hungarian currency, up to 2,000 forints can be purchased in cash. Sums above this limit will be sold in traveler's cheques. Czechoslovak banks will buy back any unspent forints.

Walesa Calls For 'Free' 26 May Sejm Elections

LD0703100991 Warsaw Domestic Service in Polish 0820 GMT 7 Mar 91

[Letter to the Sejm by President Lech Walesa read by Slawomir Siwek, secretary in the President's Chancellery, at the Sejm session in Warsaw—live]

[Text] Mr. Speaker, may it please the house. I have the honor to present to the esteemed chamber the contents of the letter written by the president of the Polish Republic addressed to the chamber:

On 22 February, I sent the presidential draft of the electoral law to the Sejm. I decided to take such a step because the progress of work on the electoral law in the Sejm Constitutional Commission, as well as the test of the draft being drawn up, have convinced me that a serious threat is emerging, both as far as the election date and the future shape of our political life are concerned.

I am convinced that Poland needs early elections and needs an electoral law that will enable the creation of large political parties and electoral coalitions. Only in these conditions may the Sejm become the genuine host of our mutual home—Poland. The need today for things in Poland to be sorted out, for putting an end to the chaos and disorder, is enormous. It is often not known how much power one or the other has, who represents whom, and in what cause. An end must be put to the growing disenchantment and distrust toward political institutions, including the Parliament. It is necessary to strengthen our international situation. It is also necessary because of dangers being created by ominous phenomena in our international neighborhood.

The time has come to reject the outdated contract of the roundtable. It was needed in the past; today it is hampering the national energy and demoralizes public life. [slight laughter in the chamber] Following the free elections, the Sejm, the government, and the Parliament will be able—each in its own field—to take decisive actions that will meet the hopes and aspirations of society.

The electoral law I am proposing, which takes into consideration the administrative division of the country, and which is based upon simple principles that society understands, will serve the implementation of this aim.

May it please the house. It is high time that all the electable authorities of the Polish Republic are the results of a free choice of its citizens. It is time to oppose threats to Polish democracy. The elections to the Sejm should take place on 26 May, and they should take place on the basis of a rational electoral law. I, therefore, ask the esteemed chamber to make decisions that will enable this; I ask you to pass the enclosed draft electoral law. I make this appeal on behalf of my and your responsibility for the country. The Sejm of the 10th term was created on the basis of a contract. Now it is facing an opportunity that cannot be undermined to go down in history as the one that created opportunities for the Poles to build full democracy and strengthen their independence.

Signed by Lech Walesa, president of the Polish Repubic. [applause]

Democratic Left Rejects Electoral Bill

LD0603212791 Warsaw Domestic Service in Polish 1900 GMT 6 Mar 91

[Text] The Presidium of the Parliamentary Floor Group of the Democratic Left [PKLD] has recommended its members to reject the presidential draft of the electoral law and amendments to the Constitution. According to the Presidium, the resolution on the issue of the dissolution of the Sejm should be taken only after the electoral law and amendments to the Constitution have been adopted as proposed by the Sejm Constitutional Commission.

Bielecki Seeks 'Intensive Contacts' With FRG

LD0503102191 Hamburg DPA in German 0008 GMT 5 Mar 91

[Text] Dresden (DPA)—Polish Prime Minister Jan Krzysztof Bielecki is striving for continuous and intensive contacts with Germany on the model of German-French relations. Prior to his visit to the Federal Republic, which begins today, the prime minister said in a conversation with the Dresden daily DIE UNION: "Poland needs advocates in Germany, people who understand Polish problems and who are prepared to defend our country against unjustified attacks."

Lately, however, new obstacles to relations between the two countries have emerged. Thus, the border treaty has still not been ratified, and the negotiations on the treaty on cooperation and good-neighborliness have slowed down.

The Polish prime minister expressed his incomprehension about demands made by German expellee associations for special rights for the German minority. This attitude implies "doubts about our role of law and credibility," he said.

Bielecki advocates that Germany waive Polish debts. "If Germany really sees Poland as a long-term partner and expects intensification of relations, then it will also be in Germany's interest for this partner to grow steadily in strength and stability."

An edited version of the interview was prereleased to DPA by the newspaper.

Democratic Union's Prospects Examined

PM0603093091 Warsaw POLITYKA in Polish 2 Feb 91 p 3

[Mariusz Janicki article: "Non-United Union: The Failure Complex"]

[Text] The Democratic Union was called to life by Tadeusz Mazowiecki some minutes after 2200 hours on the memorable evening of 25 November—right before the eyes of television viewers. This act was preceded directly by the announcement of the preliminary results of the presidential election—results that were highly distressing for the prime minister. It was an exceptional case, where we could witness the actual creation of a new political party on a live show, as it were. The Union arose as a result of a defeat.

The circumstances of the creation of the new movement have weighed heavily on it from the very beginning, ever since the first meeting of Mazowiecki's supporters, convened 2 December in Warsaw's Auditorium Maximum, before the new name for the movement was found. Failures tend to divide people rather than bring them together. Thus, Mazowiecki acted against political logic and the natural order of things, and, to put it in brutal terms, he has been reaping the consequences of that ever since.

The Democratic Union is composed of three elements: the Citizens Movement for Democratic Action (ROAD) group, the Democratic Right Forum (FPD), and members of Tadeusz Mazowiecki's election campaign committees who are not affiliated to the aforementioned organizations. It was this last group that, during the initial meeting on 2 December 1990, declared most emphatically in favor of establishing a uniform, close-knit opposition party against Lech Walesa's camp. From Krakow, the Mazowiecki support circles, previously grouped around the Alliance for Democracy movement, followed immediately with an identical proposal. It is noted that the integration processes between ROAD and FPD are the quickest and most advanced in Krakow and Wroclaw. The two groups share the same activists, the same addresses, and the same telephone numbers. In Warsaw, on the other hand, a whole register of reservations has been already announced. Every activist offers a different concept of how the future development should proceed. In other words, the closer you are to the central headquarters, the less consent there is to the unification option.

Despite many criticisms and accusations of political maneuvering voiced by the "field" structures—that remain outside the internal setups and dispositions of forces existing in the center structure and that supported the former premier in the presidential election—both ROAD and FPD have already embarked on an anti-unification campaign, served up in the elegant guise of the right to a separate identity, program, and organizational and cadres structure. The first meeting after the defeat in the presidential campaign was a touching confession of tragically misunderstood democrats. Lofty terminology prevailed, with such worthy "e" words as ethic, ethos, and elite abounding.

Nevertheless, on 15 December the Provisional Council was transformed into the Union Founding Committee. Nine of its members make up the Presidium, including ROAD's W. Frasyniuk and H. Wujec, FPD's A. Hall and M. Wojtczak, and three representatives of the "union proper" from Szczecin, Torun, and Opole, activists in the prime minister's election committees. Mazowiecki became Union chairman, and P. Nowina-Konopka secretary general. In addition, a Program Commission was appointed, headed by J. Rokita. The commission's brief is to prepare the party theses and program framework for the first union congress, to be held in the first quarter of this year. Yet another long debate failed to make progress in the fundamental questions of the organization's structure and nature. Nor has the 5-6 January ROAD conference been much more successful in this respect, though it at least produced two more clearly defined concepts of the structure of Mazowiecki's party. The first proposes that a joint party be created with a single apparatus and one decisionmaking center, and—whereas Mazowiecki saw both ROAD and FPD as completely merged into it—Nowina-Konopka sees no need for an automatic membership status and would probably be satisfied with a formal, firmly declared accession of these two groups' top authorities to the Union. Perhaps this concept was originally devised as a compromise position in relation to the second option. This in turn foresees a coalition of three independent parties: ROAD, FPD, and the Democratic Union, the last as a completely separate group. This concept is favored by Z. Bujak, H. Wujec, and A. Wielowieyski, while Frasyniuk appears to take a middle-of-the-road position. To judge from his own declarations, he would like to see something more than a coalition, but without dismantling ROAD structures. Consequently, it would be not a traditional party with a single, clear profile, but a pluralistic group accepting liberal policies in the economy and a social policy representing progressive left wing views. It seems that J. Kuron favors this option, too. There is much about this model that is unclear, or even outright contradictory: liberalism side by side with a left wing orientation. You can discern in this combination a desire to duplicate the ROAD model but with an injection of ideologically alien right wing values. Bujak declared that he had earlier supported the concept of a cohesive, close-knit union, but with Frasyniuk at the helm rather than Mazowiecki. In the end debates on all these options have been put on ice until the union's congress. Nevertheless, ROAD has been carrying out an intense campaigning activity in the Warsaw metropolitan voivodship throughout December and January, and this was most definitely on behalf of its own party.

Who Wants the Union?

From the very beginning, the FPD was very reserved about the concept of a single homogenous party. Immediately following the presidential election one of the top FPD activists reserved the right for his party to maintain an independent stand on the question of future political alliances. He did not exclude the possibility of a rapprochement with the Center Alliance. If, in turn, we hear Aleksander Hall—that is, one of the key figures in the Mazowiecki camp—emphasizing the need to preserve

party identity, then it is clear that there can be no talk of a merger with ROAD and even less so with representatives of the electoral "local structures" who are somewhat indifferent in terms of ideology. This party, which numbers less than 1,000 members, has well-defined ambitions and a fairly specific—not to say over-intellectualized—program (as opposed to ROAD, which has no program at all). Furthermore, if it were to be compared with the Polish Policy Movement, out of which it developed, its program undoubtedly leans much more to the right. Thus, the Democratic Union's "ideological scissors" are opening ever wider instead of closing together. As an example of this, consider ROAD's sharp and uncompromising condemnation of the transfer of the power to make crucial political decisions to the Belweder palace, as against FPD's avowed approval of strong presidential powers, consistent with the right wing doctrine that the group espouses.

Who, then, needs the Democratic Union? After all, the prevailing attitude to this organization since its very inception has been one of distance, and this from the same movements that were supposed to lend it their firmest support.

In the first place, it is Mazowiecki who needs the Democratic Union most. Already during his presidential campaign he refused to choose between ROAD and FPD, and now, as a politician suffering the effects of a crushing defeat, he has not even such an option. This is why he wants to embark on the next parliamentary election as leader of a formally united, even if ideologically not cohesive group. He has even quoted the figure of 25 percent seats in the next Parliament; however, this is regarded as highly fanciful by Center Alliance activists. Now that the election-induced adrenaline levels have returned to normal again, we can see that the Democratic Union is progressing at a much slower rate than in that first, fervent stage, when each week brought dozens of new members registering with the Union in individual voivodships. Such a slackening of the dynamics of the Union's attraction must call for doubt, especially when we have seen how Leszek Balcerowicz, Mazowiecki's man and a veritable cornerstone of his government, recently effected an astonishingly smooth and painless turnabout to cooperate with Walesa's camp. Consequently, Mazowiecki will find it difficult to interpret the economic blunders and failures of the new government as an argument in his own favor. There is also the "danger" that the Balcerowicz plan could eventually bear fruit in the form of an improvement in the economic situation. Be that as it may, Mazowiecki's departure from the Democratic Union would mark its end. After all, apart from those top activists who hail from the largest centers, leaders of the "allied" groups are almost completely unknown to the public. J.M. Rokita, a radical supporter of the idea of ROAD-Democratic Union unification, told ZYCIE WARSZAWY that "there is no doubt that Tadeusz Mazowiecki's unquestionable political and moral authority provides the factor that today unites the the political camp comprising the Democratic Union group." It should, however, be added at this point that this is perhaps sufficient to help compile a joint election nominee list, but almost certainly not enough to create a united party.

Activists who were involved in the former prime minister's local election committees want the Union, too. They share one distinctive trait: deep mistrust toward ROAD and FPD. A member of the "proper union," who wishes to remain anonymous, told us: "I do not trust them, because we initially had Geremek, Michnik, Hall, and others persuading Mazowiecki that Walesa could safely be ignored and kept at a distance in Gdansk as if on a lead; later, they prompted Mazowiecki to compete with Walesa; finally, now that he has lost, they distance themselves from him as if he had suddenly, in the course of a single evening, lost all those sterling qualities with which they had credited him. This is not fair play." This commentary illustrates very well the mood and state of mind of people who had, from the beginning, remained outside any setups and relations of interdependence; who initially became actively involved in supporting the then prime minister—often against the majority opinion prevalent in their circles—and who now feel that have been duped and cheated by the establishment—by which they mean mostly the Warsaw establishment. They want to see the leader of the Democratic Union involve himself more vigorously in the current matters and issues confronting the party. Unfortunately, many of them have by now come to believe that Mazowiecki is far more interested in currying favor with ROAD and FPD and cannot free himself from the sort of setups which eventually resulted in his defeat.

How Much Does Mazowiecki Mean Today?

On the other hand, these two parties are now coolly calculating their chances in the parliamentary election, both as a team and separately. Great uncertainty and restlessness prevail there. This is because it is still not clear how much Mazowiecki's name really means today. Does time work to his advantage or against him? It is a difficult decision to discard a card that can still win some points; it is much more difficult to decide to stake all your money on a card whose value you do not know yet. The whole situation resembles a peculiar balance beam event where everyone competing wants to preserve their equilibrium and win the competition, preferably without having to climb onto the beam at all.

The 5,000-strong ROAD would like to see its political aspirations realized at last, especially as a new rival has recently emerged on the left: the "Solidarity of Labor" group set up by Bugaj, Lipski, Modzelewski, and others—the latter hailing partly from ROAD itself. The new group can articulate its program theses clearly and precisely—for example, it recommends that equal chances be given to both state- and privately owned enterprises, without condemning the former a priori to privatization. So far, ROAD cannot afford to make such stipulations at all, but this kind of proposal already constitutes an

element of a concrete election program. All the same, it is already becoming apparent that ROAD activists who form the group's nucleus are discreetly shifting their position to the left, especially in reaction to the clericalization of Poland's public life and the offensive launched by the Christian National Union.

This is one of the reasons why a lasting union with right-wing groups seems increasingly improbable. It is to be expected that the FPD will eventually either stand on its own in the election or put up a joint list within the Center Alliance framework, through an alliance with the Liberal Democratic Congress. The close mutual resemblance between these parties' programs has been pointed out by one of the joint FPD founders, T. Wolek, in an article published in the November issue of POLITYKA POLSKA. In this situation the future of the Democratic Union can be very considerably influenced by ROAD's stand on the unification proposal. The definitive decision in this matter was to be made by the first ROAD congress, which took place on 26-27 January in Warsaw.

Certainly the unification question was one of the main points on the congress agenda—and indeed it took over as virtually the only point. The congress deliberations generated much interest and many emotions: It was indeed democracy in action, and its work often appeared heavy and exhausting. Nevertheless, certain key issues received a thorough airing and were almost conclusively settled. The first of these conclusions was as follows: Mazowiecki is no longer an attractive leader for the ROAD elite (as Michnik pointed out, "It is better to have mutual attraction without marriage than marriage without mutual attraction"). The second conclusion is this: According to many delegates, the Democratic Union was set up in a somewhat undemocratic fashion. H. Wujec believes that its registration was too hurried and carried out in an arbitrary manner. There is a widespread view that it was the Union that should have acceded to ROAD—after all, the requirements of chronological order and proportion should have been respected. The third conclusion is that the FPD cannot be regarded as a serious party. It was the first time that ROAD members had expressed this opinion so clearly and publicly. The argument against the Democratic Union goes as follows: 45 percent of Poles know nothing about the Democratic Union, whereas only 20 percent have never heard of ROAD. "Those people think that the world does not extend beyond the far end of Krakowskie Przedmiescie Street..." a delegate from Suwalki Voivodship declared as he watched Michnik and Frasyniuk lock horns in an argument, surrounded by a large crowd of onlookers, Michnik being emphatic in his rejection of Mazowiecki, with Frasyniuk reminding him that we live in a Catholic country. "Is he a Christian Democrat, too, then?" he asked, pointing at Jerzy Turowicz who happened to be standing nearby. "The Democratic Union's slogan, 'Let us all love our Tadeusz,' is not enough to build on, especially after a lost election," a delegate from Wroclaw, J. Turnau, remarked, "and our brief must not be just to provide a refuge for former ministers." L. Abgarowicz argued in favor of the party's representing specific social groups instead of the whole nation.

Several Years in Opposition?

The leaders, Bujak and Frasyniuk, each a figure commanding the best imaginable track record that you could possibly hold up in Poland today, both withdrew into the wings for the duration of the congress, though Frasyniuk did climb the rostrum on several occasions, when particularly dramatic circumstances required his intervention. It was none other than Frasyniuk, together with Kuron, who presented the compromise proposal for the Democratic Union: that ROAD remain a separate party after the election, but confirm its wish to join forces with the Democratic Union during a future unification congress; if this fails to take place before the parliamentary election, it will enter into coalition with the Union. This proposal won the congress' approval. Earlier, a proposal to dissolve ROAD and annex it to the Democratic Union, either immediately afterward or within two months, was rejected by a small majority. It was at that point that it became apparent how deep the divisions really are. Bujak decided against putting up his candidacy to the party apparatus and set up a "Warsaw faction" (officially known as the Political Club), opposed to ROAD's joining the Democratic Union. In this way Z. Bujak and W. Frasyniuk have parted ways to follow separate political paths after so many years of working together. Frasyniuk is more pragmatic; he responds correctly to the unification trends prevalent in his movement, though, on the other hand, his own hopes of a strong position for a center-right Democratic Union could be misleading. Perhaps Bujak, who is more inclined to the left, knows what he is doing. In any case, Frasyniuk was appointed ROAD chairman, since Jacek Kuron did not want to compete for the office. At the congress, Mazowiecki repeated his invitation for ROAD to join the Democratic Union. He presented a rather firm and assured position, which was read by some as a sign of arrogance. On FPD's behalf, Aleksander Hall delivered a smooth, unimportant address, expressing an exactly measured stance with built-in safeguards against getting things to move too far. The congress adopted a resolution calling for the earliest possible date for the parliamentary election. "Why do we need an early election?" asks Lodz delegate M. Edelman: "It should not take place until a year from now at the earliest, and preferably in two or three years' time."

Considering the Democratic Union's condition, and remembering that even if ROAD were to accede to it, it would bring with it its own internal splits and wrangles; furthermore, considering that the FPD's links with the Democratic Union are largely limited to Aleksander Hall's interest, Edelman appears to be right. The "Uniates" on the whole do realize that it is an uphill task to build up a victorious party following an election in which the party leader was defeated, but they say: "De Gaulle managed a similar feat...." They know that they are accepting a party that will, almost by definition, from the

very beginning, be made up of factions. They insist that, with the present threat to democracy, everything must be made subordinate to the task of unification.

It is hard to establish political opposition in Poland today. It is a complicated task to define the demarcation lines for such an opposition, and especially for a movement which until recently remained in the same shared Solidarity camp with the present government and president. There is also the psychological aspect of this question. The "photograph with Walesa" syndrome, where familiarity with the president still counts as the only effective pass to get you into Parliament, remains firmly established in the collective mind. Consequently, those involved in political opposition must be prepared for the possibility of being stuck with that status for at least the next few years, which some may find difficult to accept.

During the communist regime, opposition was illegal. After the June election, in turn, communists were denied the right to call themselves legitimate oppositionists, because they entered Parliament in an undemocratic procedure. Now there are no more excuses: We can and should have a normal opposition structure operating normally in a democratic system. But this is an art that has to be learned, just as you have to learn the art of government. The case of the Democratic Union proves that for the time being there are no eager volunteers waiting in line to take up their places in an opposition party.

During the ROAD congress, Mazowiecki and Hall catch an opportunity to have a private conversation together, away from the main congress debates. They are joined for a while by Frasyniuk. Someone comments quietly from the side: "They have just one problem: whether to lose together, or each party on its own account."

Army Redeployed To Strengthen Eastern Border

LD0603223691 Warsaw PAP in English 2136 GMT 6 Mar 91

[Text] Warsaw, March 6—Polish National Defence Minister Vice Admiral Piotr Kolodiejczyk said during a meeting with journalists today that a redeployment of Polish Army units from western to eastern Poland had already started.

The minister said the redeployment was very expensive and added that the operational plan to strengthen Poland's eastern border in view of the expected uncontrolled migration had been under preparation for half a year.

Swedish Foreign Minister Andersson Pays Visit

Holds Talks With Skubiszewski

LD0603212891 Warsaw PAP in English 1947 GMT 6 Mar 91

[Text] Warsaw, March 6—Polish Minister of Foreign Affairs Krzysztof Skubiszewski and visiting Foreign Minister of Sweden Sten Andersson who met in private here today told PAP after the meeting that visas for Poles travelling to Sweden would be lifted. "We will do it as soon as possible, together with other Nordic states, namely Finland and Norway," Andersson said.

The sides discussed bilateral relations, which were described as most fruitful and constructive by the Swedish foreign minister, and tackled the issue of their countries' attitude to the USSR. "Poland and Sweden share the opinion that any moves should be avoided which could create an impression that the Soviet Union is being isolated," Minister Skubiszewski states, adding that stable cooperation with the USSR was necessary for Europe.

The sides also exchanged views on cooperation in the Baltic Sea region.

During the Polish-Swedish plenary talks attended by both foreign ministers, the sides also discussed the questions of cooperation within the frameworks of the CSCE, the dismantling of the military structures of the Warsaw Treaty and its future.

Meets With Walesa

LD0603213191 Warsaw PAP in English 1951 GMT 6 Mar 91

[Text] Warsaw, March 6—Polish President Lech Walesa received Swedish Foreign Minister Sten Andersson in the Belweder Palace here today, with their talks going beyond the diplomatic protocol both as for the length of time and topics. They covered also the gist of Poland's struggle for freedom, particularly the role of Solidarity in the past and the present moment.

Both sides positively sized up Polish-Swedish economic cooperation. Over 200 Polish-Swedish joint ventures, set up so far, offer good prospects for the future.

They discussed also opportunities to broaden cooperation to protect natural environment in the context of jointly taking care to clean up the Baltic. They opined that Poland could be a good bridge to link Scandinavia to the south of Europe.

Netherlands Firm To Acquire Polam Factory

AU0703090391 Warsaw RZECZPOSPOLITA Economy and Law Section in Polish 27 Feb 91 p 1

[Piotr Aleksandrowicz report: "Joint Venture—Polam in Philips' Colors"]

[Text] A new joint venture has been agreed between the Netherlands giant Philips and Polam, a lighting products manufacturer in Pila. The Netherlands organization is hoping to acquire 51 percent of Polam's equity and it has plans to modernize Polam's production lines. Philips is

the developer of a new generation of energy-saving high-output light bulbs that can be used instead of the traditional bulbs.

The Pila factory is Poland's most modern light bulb manufacturing facility. It was built with investment finances received from Czechoslovakia.

The Pila factory has been trying for a long time to secure more independence for itself within the larger Polam umbrella. Proof of this can be seen in its growing effort to sell its own products abroad directly (exports amount to approximately 50 percent of total sales), thus bypassing the established Polish export trade organizations.

The factory has consistently produced good results. In 1989 (quoting the last set of figures published by the monthly ZARZADZANIE [Management]), the Pila factory employed approximately 3,300 workers. From the point of view of net profitability (above 95 percent in 1989), it was ranked 49 in Poland. From the point of view of sales, it was ranked 177 in Poland. We were unable to obtain more up-to-date figures, but we have been informed by Stanislaw Kozlowski, Polam's director of development, that Polam in Pila is a very sound outfit economically.

Negotiations between Polam Pila and Philips began in mid-1989 and lasted well over a year. A large supply contract is at stake, and it was common knowledge that the joint venture agreement is intended to follow the privatization of the factory. Steps in this direction were already taken last fall, and the Pila factory was re-incorporated as a State Treasury owned stock company on 28 November 1990. On 31 November 1990, it was officially entered into the court's companies register. Director Kozlowski is unable to give more details but confirmed that an initial agreement has already been signed with the Netherlands side.

Further negotiations are being conducted by the Ministry for Transformation Changes, which is regarded as the so-called sponsor of this deal. Polam's factory council is strongly in favor of the venture.

The size of the deal remains a secret and we are unable to give concrete figures. It is thought that it must be worth at least several dozen million dollars, because this is the value placed on the Polam factory. One can be sure, however, that Philips' obligations under the contract will involve both a capital injection and commitments to future investment.

To sum up, the Polam-Philips deal is one of the largest foreign investment deals to date. In size, it ranks with the earlier deals made between Zamech and Dolmel with ABB [expansion unknown], and the Sandomierz Glass Works with Pilkington.

Reportage on Bielecki Visit to Germany

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For reportage on the visit by Prime Minister Jan Krzysztof Bielecki to Germany, including reports on his talks with German Chancellor Helmut Kohl, see the Germany section of the 6 March West Europe DAILY REPORT and subsequent issues.

Roman's 'State of the Nation Report' Continues

AU0603192791 Bucharest ROMPRES in English 1725 GMT 6 Mar 91

["Part Seven" of "State of the Nation Report" by Prime Minister Petre Roman to Parliament on 26 February]

[Text] Bucharest ROMPRES, 6/3/1991—In order to pass on to the second stage of its own price reform programme, the government envisages the liberalisation of the prices of basic consumer goods that remained unchanged during the first stage of the price reform.

In the case of the basic foodstuffs bread, meat, milk, butter, sugar, edible oil prices will be maintained within the limits of a platform controlled by the state, starting with the second trimester of this year. For all these products cash hand-outs are granted. The idea is that price liberalization should be paralleled by corresponding social protection, all while the waste, the uneconomical use of these products like, for instance, feeding animals on bread are liquidated.

Along with the liberalisation of the prices of a larger number of commodities and services, the government intends to introduce a law that should speed up the privatisation of state enterprises. Finally, the government reviews the list of intermediate and finished products from which price controls were not lifted yet with a view to making a programme under which price controls will be lifted from them too. This programme is part of the medium-term measures.

As far as energy prices are concerned, the government policy was intended to achieve a high energy efficiency through proper pricing. The domestic price of petroleum is now in agreement with that on the world market, just like that of its refined products, so that all necessary production costs and taxes are met, leaving a margin for the enterprises concerned. The government pledged to revise those prices on a monthly basis at least, and to adjust them in order to keep them at world level throughout the period for which the programme was made.

To partially offset the social costs of November 1990 and April 1991 when a new price liberalisation stage is planned, handouts were considered for employees, the basis of which is projected (not past) inflation rate; its size has been related to the changed prices of a consumer goods basket that takes up about 80 per cent of the average family budget.

True to its economic liberalisation policy, the government has authorised the employees of private firms to negotiate their salaries with their employers in collective bargains. In order to keep salaries rise under control, an income tax policy was introduced which raises up to 80 per cent the tax an enterprise must pay, should it raise individual salaries more than planned.

A. Proposals to cover the previous-years' losses of economic agents from extra resources so as to put the conditions in place for commercial companies to be set up and start operation, as well as for their privatisation.

B. Putting the finishing touches to the audit and comptroller system so as to meet the provisions of the law and to take action against tax evasion and corruption.

C. Draft normative acts for financial reform in line with the government programme and the provisions of a unitary framework for their application for all economic agents.

D. New measures to strengthen local autonomy in the making and execution of local budgets, to stimulate local initiative to meet social demands, to exercise the rights of correlative budget spending provisions with the needs and potential sources of revenue.

E. A lower rate of absorption of the revenue of economic agents as the state sector is shrinking and its intervention in economic activity is shifting from direct means to indirect ones—i.e. stimulation of positive processes and inefficient activities are eliminated through the fiscal system.

F. Keeping an eye on how the financial monetary and hard-currency balance is achieved in the economy and the promotion of new measures to strengthen the balance.

G. Single accounting norms for economic units and public institutions according to the provisions of the accountancy, law due for enactment.

H. Careful preparations for the second price liberalisation stage and measures for a proper level of prices to be set on the basis of the offer and demand of products and services.

Better price and tariff control to meet the demands of the market economy and greater concern to eliminate profiteering and unfair competition.

Under Law No. 15 on enterprise privatisation that took effect in September 1990, most state enterprises will become commercial companies operating on a private basis. The remainder will become autonomous units owned by the state. Their number will be limited and Law No. 15 sets a few strategic sectors defence, ore extraction, power, transport and telecommunications for their operation the government reserves its right to lease part of these industries to private entrepreneurs and to put the management of autonomous units in touch with private firms—domestic or foreign. In due course, the government will bring the number of autonomous units down to the minimum required by a proper public service. Meanwhile, in order to promote domestic competition, the government is considering such measures as can end the existing monopoly.

As part of its privatisation strategy, the government set up a national privatisation agency to monitor the distribution of shares in state-owned commercial companies. All commercial companies were asked to evaluate their property and to yield 30 per cent of it to the national privatisation agency (NPA). The NPA is working on a plan for the distribution of these shares to all Romanian adult citizens, except for those who take advantage of the land distribution of shares through a voucher system and shares sales as another way to absorb the money surplus. The government is also considering to set up a few

shareholding companies as a way to improve the shareholders' control of private firms, since their stock can be sold or distributed to Romanian citizens. Foreign investors may buy shares in domestic companies. The government will get technical assistance from the world bank and other sources on this matter.

An essential ingredient of the government reform programme was its initiative to strengthen the financial discipline of enterprises. The tax system was so restructured as to give the firms the possibility to retain the financial means they need for investment. Loss-making enterprises will have no choice but to restructure their production or else grind to a halt, and the new bankruptcy law that is being made will allow a prompt dissolution of bankrupt firms. Banks were notified that if they extended credit to loss-making enterprises they were taking a risk since those enterprises did not automatically qualify for credits. A refusal of the banks to extend credits to loss-making enterprises may result in arrears, and the government may find it necessary to provide financial assistance to the firms that are being restructured. Nevertheless, all aid that is given to enterprises for their arrears or losses shall be in explicit budget subsidies which must agree with the aims of the government's general budget.

Ratiu, Campeanu View State of Nation Report

AU0603172691 Bucharest LIBERTATEA in Romanian 28 Feb/1 Mar 91 p 3

[Neli Luchian report on statements by Ion Ratiu and Radu Campeanu on Prime Minister Roman's State of the Nation Report: "The Roman Report: Between...Agony and Ecstasy!"]

[Excerpt] Prime Minister Petre Roman's State of the Nation Report will be submitted for discussion to the Parliament on 1 March. We believe that it would be of interest to offer our readers a few previous thoughts about this document voiced by some parliamentarians.

Ion Ratiu—National Peasant Christian Democratic Party: "Thus Policy Becomes the Art of the Possible"

I listened to the report with great attention. Yesterday morning I received the text of the report, which, given the importance of this document, I have to study carefully. My first impressions about it are positive, meaning that I reached the conclusion that the Roman government understands exactly the problems faced by Romania and tries to solve them. A proof of this is the fact that the document focused on economic problems, which is a major problem at the moment. I was delighted to hear the way in which Mr. Roman defined the government's possible options to solve problems: to extend the transitional period and to accelerate the establishment of the new mechanism that should lead to reform, adjustment, and restructuring. I am happy that the first option was rejected from the beginning; however, I believe that the measures that have been taken so far are not appropriate. I believe the major laws—Nos. 15 and 31—which define the way in which this transition is going to take place, are both unable to implement the radical reform we need. I want to stress that I am pleased that I can say: I am convinced that the Roman government is genuinely seeking solutions to problems. I can also draw this conclusion from the fact that other alternatives were also mentioned: establishing a government of unity or replacing the current form of government. I believe that eventually one of these formulas will be chosen. The current government is qualified, maybe overqualified, but it lacks practical experience. In policy we need practitioners. Thus the policy becomes the art of possible. [passage omitted]

Radu Campeanu—National Liberal Party Senator: "So far I Have Just Listened to It!"

So far I have just listened to it without having the time to read it, because I received the report only yesterday morning. At first glance, this report does not come up with anything new. It looks inconsistent with its long string of well-meant declarations, without offering us any concrete ideas. I noticed that Mr. Roman had often referred to the contradiction —which I believe to be a real one—between what the government's wishes and the outlooks of those who have functions in the administration and economy and who oppose the implementation of the government's decisions. The report also mentions the need to replace those cadres, but I could not notice any effective measures mentioned in this respect—not even one measure. Petre Roman often speaks about the mutations of socioeconomic indicators in 1990 that he considers paradoxical. Maybe that is true, but he did not demonstrate to us that it is indeed so. He promised to stop the economic decline and to deal directly with the retechnologization issue, without telling us precisely how he intends to do it. I wonder what kind of retechnolol-gization he is talking about, without foreign credits that are not being granted to us. Likewise he stated that the development of private property is an essential goal of the government and he mentioned the Land Law, although this law from the point of view mentioned by him still has shortfalls. He also spoke about rapidly reducing the current state ownership in the area of urban real estate, without telling us how and mainly without mentioning one of the most important ways of development by returning all the urban real estate that was confiscated during the dictatorship to the former owners. These are some of the remarks I can make about the inconsistency of the Roman report.

Apoliticism Equated to Lack of Patriotism

AU0603180291 Bucharest DREPTATEA in Romanian 2 Mar 91 pp 1, 3

[Carmen Ianu article: "Who Is Afraid of the 'Apolitical' Ones?"]

[Text] A new term, "apolitical," "emerged" in the political arena in the spring of 1990; it gained currency by both the frequency with which it appeared in the title of various organizations and associations and the way in which it was used as a weapon for counterattack by segments of those in

power who were facing increasingly critical attitudes. Trade unions and students leagues, the associations of fighters in the revolution and writers' or journalists' associations, and many other organizations are also apolitical. Used at the time when these associations were established, the term of "apolitical" was an anesthetic to lessen the suspicion of those in power toward the unimaginable proliferation of various forms of association. The first quake happened when the University Square phenomenon appeared. The students' associations involved in the anti-communist movement in the University Square were not political organizations and neither were the associations of fighters in the revolution, who were participating in the demonstrations. So why were those in power so shaken: "Apolitical" organizations are making politics!

Apolitical organizations are not competing for power; they do not run in the elections, neither in local, nor in general elections. This is very clear. No one will note names like the "Students League" or the "Drivers' Trade Union" in the candidate lists. To claim that these organizations—the majority of which incorporate people who do not belong to any political parties—which include a great part of the population, are not entitled to intervene in what is happening in our country is not only absurd but also immoral. One of the trade union leaders who participated in negotiations with the government in the winter of last year clearly said: "Trade unions have to negotiate with the owners. For the time being, the only owner is the state." No comment. Actually, pure apoliticism practiced in a country that has arrived at a turning point (as is Romania's case just now) is both irresponsible and cowardly. Who is the one who still believes that the economy is not doing well only because "there are still some people who oppose the reform?" Who has maintained or appointed those people to positions enabling them to do and undo a lot of things? Who is to blame that the court is handling the cases of former communist dignitaries with so much care to not anger them, and that it would not be surprising were they to be found not guilty? Who is to blame that those involved in the December 1989 massacres are "thank you, very well" in their homes? Who is closing his eyes to the bamboozling by various "responsible people" in our counties instead of taking them by the collar and sending them where they belong? Is it correct to have to admit that no one in your own country (except profiteers, prostitutes, a few businessmen, and a few others who have relatives abroad or have worked there) is able to buy products of better quality because such items are for dollars? Is it correct to say that those who demand the right to change or receive part of their pay in foreign currency are exaggerated?

Is the thesis "economics determine politics" correct? WHO is responsible if the economy is not only doing badly but, of late, does not work at all, if the standard of living is deteriorating with every passing day, and if radical changes that had to be made do not take place or were applied incompletely and incorrectly? WHO is responsible? WHO is guiding phenomena? WHO is making decisions? The National Salvation Front does not even have the excuse that it is not the only responsible one for mistakes, because so far it has firmly refused any kind of initiative with regard to a coalition government. **Under these conditions it is clear that it is compelled to assume full responsibility for the errors that have been made. There is always a political decision behind economic phenomena, and not only behind them.** This political decision has caused the deterioration of our people's standard of living and the reticence with which the West looks upon Romania.

It is only natural that the discontent about everything that does not "work" in Romania affects the "center," where all decisions are made. People have begun to understand that a political decision is behind every direction in which the various sectors of the Romanian society is moving, a decision that is slowly, slowly being deciphered, that does not resemble at all the initial statements of those in power, and does not come close to what people feel is good and correct for everybody.

Although pure "apoliticism" is the dream of any totalitarian regime and an ideal subject for experiments, one more fanciful than the other—like that of the disciplined soldier who carries out orders without asking questions—to ask people at this point to be apolitical—in the sense desired by those in power, that is not to comment and not to contest anything—is like asking them to be indifferent to what is going to happen to Romania. To be "apolitical" at this time means not to be a patriot.

Foreign Minister Nastase on Diplomatic Activities

AU0603220391 Bucharest ROMPRES in English 1952 GMT 6 Mar 91

[Text] Bucharest ROMPRES, 6/3/1991—Europe has been the main target of Romania's diplomatic activities for the past five months, said Foreign Minister Adrian Nastase at a press conference, quoting to this effect, the Romanian head of state's visit to Italy and his meeting with Pope John Paul II, the good relations with Turkey, the positive outcome of the Romanian premier's visit to Paris, where he was received by President Mitterrand, the visit to Bucharest these days of the France-Romania friendship parliamentary group, the good relations with Italy and Spain, with Belgium and Luxembourg, which the foreign minister recently visited, this being, in its way, a premiere in Romania's foreign policy over the past five months, and where he was welcomed by a constructive and amicable climate.

Referring to Romania's relations with the Council of Europe, Foreign Minister Nastase mentioned the visits to Romania of Mme. Catherine Lalumiere and Mr. Anders Bjorck, Romania's participation in the Madrid conference, the positive results in its relations with the EEC, a first step being the ratification by the EEC and the Romanian parliaments of the agreement with the EEC, which is to be followed by the difficult stage or Romania's lobbying for its accession to this organisation. The PHARE [Econimic Restructuring Aid for Poland and Hungary] programme, showed the minister, started functioning, but Romania will have to prove apt to absorb the assistance programmes to be proposed.

Speaking of the NATO sequence, Mr. Adrian Nastase evoked his call on the NATO headquarters, as a third step in Romanian approach of the issue, the first two being the visits there of Prime Minister Roman and of General Ionel. The minister remarked however that the procedure makes it impossible for Romania, or any other East-European country for that matter,to accede to NATO. Both politically and economically, said the minister, Romania is circumscribed to several other zones that may become of interest, which calls for a selective approach of such matters, so as to allow Romania to obtain advantages and he quoted, to this effect, Asian, African and South American countries as ones with which cooperation should be established in consonance with Romania's economic interests and possibilities.

Foreign Minister Nastase also approached the topic of European security, showing that the CSCE was a long-term target and that Romania had concluded bilateral security and defence treaties with the USSR, Italy, Spain. The relations with the Soviet Union, which will continue to play a leading role in the East-European developments, remain sensitive, added Mr. Nastase. He pointed out the necessity to find new forms of economic cooperation with the former socialist countries of Europe and announced Romania's intention to propose a union of Central and Eastern Europe, following the model of the Western European community, provided not only with economic prerogatives, but also conceived as a body for military consultations and communication between the member countries' governments. Our cooperation with Balkan countries has reached a point of relative freeze, due to processes calling for settlement in some of these countries, but after a while, we deem that things will resume their normal course and Romania is determined to take part in all actions involving the Balkan zone.

Answering a question about the attempt in Geneva at Mr. Dumitru Mazilu's life, the Romanian foreign minister stated he had no knowledge of it and that he was sure that no one in the government could be made responsible for such an unreasonable and regretful act. In reply to another question, related to Hungary, the minister said that Romania and Hungary's points of view were indeed at variance, but that the Romanian side chose to approach these issues not looking back but setting its eyes on the future and preparing a packet of positive actions. The problem of our relations with Hungary, said Mr. Nastase, cannot be limited to the rights of the Hungarian minority in Romania. We do wish to solve the problems that separate us and, to this purpose, we shall have to use geography against history.

Cost of Living Increases by 50 Percent

AU0603161291 Bucharest ROMPRES in English 1446 GMT 6 Mar 91

[Text] Bucharest ROMPRES, 6/3/1991—The cost of living in Romania has increased in January this year by 50.3 per cent over October last year, when the first stage of price liberalization was launched—for 2,400 types of commodities and services—which seriously affected family budgets of Romanian citizens. Statistics published by twice-weekly "ECONOMISTUL" [THE ECONOMIST] show that prices for consumer goods and public services have soared from one month to the next, reaching a 32.5 per cent increase for foodstuffs, 85.7 per cent for other goods than food, and 35.3 per cent for services in January this year.

Mentioning that what a Romanian citizen could buy for 100 lei last October is now available for 150 lei, that publication gives expression to the general anxiety of the population caused by the fact that the second stage of price liberalization is to start on April 1st for such staple foods as: bread, milk, meat, eggs, as well as vital services such as medical assistance and relevant medicines. People are all the more entitled to feel anxious as it is hard to anticipate the price evolution for such items and services as are known to have been varying a lot from one part of the country to another even before price liberalization. If the 750 lei and 400 lei monthly handouts to employees and pensioners, respectively, to make up for the higher cost of living during the first price liberalization stage, are deemed as insufficient, the journal wonders, for good reason, how much the cost of living of the individual will be affected after the first of April, that is in only two weeks' time, and how salaries will be indexed so as to cover a further price increase.

Emigration Figures for January, February Released

AU0603220291 Bucharest ROMPRES in English 1933 GMT 6 Mar 91

[Text] Bucharest ROMPRES, 6/3/1991—A press release of the Ministry of the Interior shows that a number of 486,983 standard passports were issued to Romanian citizens in the period from 1 January to 28 February, 1991. During the same time interval, 4,280 Romanian citizens were granted the right to settle abroad and 4,460 actually left this country, among them being persons that were granted the same approval last year.

The national composition of the batch is the following:

Germans 1,981 persons
Romanians 1,463 persons
Yugoslavs 758 persons

Jews and other nationalities make the balance up to 4,280 persons.

Most of the emigrants come from the following counties: Sibiu 750; Timis-405; Arad-348; Brasov-431; Mures-399; Bucharest-336; Caras-Severin-210; Alba-200; also from Cluj, Bihor, Satu Mare etc.

Likewise, approval for residence abroad was granted to 411 Romanian citizens who decided not to return from their travels abroad.

Markovic Addresses Sarajevo Presidency Session

AU0603165091 Belgrade BORBA in Serbo-Croatian 28 Feb 91 p 4

[Unattributed report on speech by Federal Executive Council President Ante Markovic at the SFRY Presidency session in Sarajevo on 22 February: "There Is Not One Single Option Without an Agreement"]

[Text] Unfortunately, our situation is such that the erosion of our society is not only substantial, but is also assuming larger proportions. We are about to experience total economic and legal chaos. It is already becoming certain that the country is going to face a catastrophe with social and economic explosions. Mistrust is enormous. We are trying to agree on something, but I think that the speed of the erosion process in the country and the speed of the process of reaching an agreement, regardless of the outcome of the agreement, are now evidently colliding....

We need time but it is difficult to predict how much. This time can certainly not be measured in weeks. Many things can happen with this country in this period, and this could render the talks on the agreement completely illusory and abstract. Nobody can guarantee that social peace can be ensured, but we can prevent a social explosion together with the interethnic and political explosions that stem from it. In assessing where all this would lead us to, the Federal Executive Council [FEC] has prepared measures needed to increase the efficiency of the country's system in the transitional period.

Measures Against Chaos

It is extremely important that all laws and solutions that we proposed, and that serve the aforementioned purpose, apply to 1991 or until an agreement has been reached. If an agreement is reached in three months time, then these measures should be valid for three months, or if it is reached in six months time, then they should apply for six months. Believe me, by not accepting this concept, we would not have the choice between force and chaos; chaos would lead to the use of force whether we like it or not.

It would be an illusion to think that we can tell the IMF that it can sign an agreement with us because we will make sure that the republics will guarantee this agreement tomorrow. This will not pass. The FEC has already analyzed this and can acquaint you with this it if you think it is necessary. Similarly, the FEC can also acquaint you with all the specific consequences of this for international relations.

We Will Be Overtaken

You know that the FEC has not taken a stand on any option concerning the future organization of Yugoslavia. The FEC takes the view that we should hold talks on the content and quality of relations, and that we should let things develop from there. We think all options are equal. There would not be a single option or a chance for an option unless we ensure that we can arrive at these options (any one of them) through an agreement. The way things are going, we will be overtaken in every sense and believe me, the time is not very far away, although I would not want to make specific forecasts, when it will be impossible to stop the inevitability of the erosion that will result in an explosion. After that it would be difficult to pick up the pieces.

Therefore, I stress once again your responsibility concerning our talks and the need for supporting these minimum functions—legal, payments, monetary, and foreign exchange systems and everything else we discussed—so these laws can be adopted as temporary.

You saw that the FEC withdrew seven laws from the SFRY Assembly procedure.

Do you know why?

Because the basic laws could not get through. Why would the laws that are supposed to ensure their implementation be adopted? There is no reason for that. If the laws on the National Bank of Yugoslavia, Public Expenditure, Obligations to the Federation, or the Social Accounting Service, or the Federal Budget for 1991 have not been adopted, we do not need to adopt anything else.

Even if they had gone through, if they had been adopted in the SFRY Assembly, if you are not ready to guarantee their implementation—they are useless. We must understand that the law itself, without political commitment to pass this law, is not worth anything.

If we want to find a peaceful, democratic, and civilized solution, whatever it may be, then we should spend as much time to find it as necessary. We are no longer in control of time, we have not agreed on how to control this time.

I propose that we once again reexamine the stands of the republics and provinces on our proposal. If you think that something is not sufficiently good, we should analyze this again and correct it. It is necessary to find a solution that will enable us to reach an agreement with the IMF. If we reach such an agreement, we can sign a contract with the IMF in one or two months time. We can still save, if not everything, at least a part of what we can gain through this international contact. By this we will not bring into question the future agreement at all. On the contrary, we will create preconditions for this agreement to be reached.

[The following passage appears boxed within the body of the item]

Not a Single Dollar From the IMF

I do not think that I have to convince you that, with such serious troubles, we do not stand a single chance of preventing this social erosion and all other erosions that stem from it now without additional resources. Please do not have any illusions; Yugoslavia cannot obtain any additional funds without an IMF agreement. Take note of this and find

out if you do not believe me, or if you do not know. We will not get a single dollar, let alone $4 billion.

Kucan Speculates on Future Republican Linkages

AU0603205291 Ljubljana DELO in Slovene 21 Feb 91 p 3

[Unattributed report on speech by Slovene Presidency President Milan Kucan, at the Slovene Assembly session in Ljubljana on 20 February]

[Text] Ljubljana, 20 Feb—At the beginning of the year, all republics expressed readiness to hold joint talks. Slovenia proposed three kinds of talks: on the future establishment of relations that will be based on the right to self-determination, talks on sharing rights and responsibilities that have arisen through living in a joint state, and talks on regulating the so- called transitional period until the final agreement or decision on our future life and its realization are made, Milan Kucan said at the beginning of his speech.

The starting point of all these talks was the decision of the Slovene people, members of the Italian and Hungarian nationalities, and all those people who permanently live and work in Slovenia in favor of a sovereign, autonomous, and independent state of Slovenia. Independent Slovenia—in its entirety and in conformity with its interests—will decide about its position and connections, about cooperation and connections with other states and international organizations, as well as about its relations with other republics as sovereign autonomous states.

We proceeded from the fact that Yugoslavia, as a joint federal state, has been politically and economically disintegrated, Kucan said. The federal state and its entities have been functioning with an increasing number of difficulties, and now are doing so under the conditions of a financial blockade on the part of the republics. The republics have built up or are building up their autonomous, constitutional-political, legal, and economic systems and, on that basis—despite the fact that they do not admit it—they behave very much as independent subjects from a constitutional and legal aspect. They have begun their independence by refusing to implement those of their sovereign functions that were transferred some time ago to the federal state through the Federal Constitution. The assessment that Yugoslavia is turning into a dangerous hotbed, which threatens European peace and security and is leading to its own economic, financial, and political isolation, and therefore to the isolation of its individual republics is becoming more and more true. Such a situation is postponing the political, economic, and social reforms that Yugoslav republics—each one by itself—would have to implement if they want to open to themselves the door into European integration and to its institutions. This door is now firmly shut to them.

A New Agreement, Not Repairing of the Old One

It is therefore our position that the demand for the so-called return to the previous situation along with respecting the Federal Constitution is not realistic. For Slovenia, that would mean returning to the position before amendments to our constitution were adopted in September 1989. The call to subordination to the Federal Constitution now unfortunately only means wasting time and avoiding the truth about the disintegration of Yugoslavia in the form in which it was founded.

Our starting point was also that what is involved is a new agreement between the republics concerning their position and future relations among them and not the repair of the old agreement on the present Yugoslav federation. Therefore, it is understandable that it is our stand that the present SFRY Constitution cannot serve as an institutional framework for solving the crisis and for preparing an agreement between the republics and future settlement of relations among them. It is a fact that constitutional regulations in Croatia and Serbia, as well as a number of constitutional amendments in Slovenia, have already overstepped the limits of the valid Federal Constitution; a declaration on sovereignty has been adopted in Macedonia and is being prepared in Bosnia-Hercegovina. It is realistic and responsible to be aware of these facts. This is why the entire time we have been rejecting the concept that recognizes the right to self-determination in principle, but links the realization of this right to the Federal Constitution and to the conditions that should be met through a special legal document that would be adopted by the SFRY Assembly Federal Chamber. The adoption of such a concept would mean that the peoples can realize their right to self-determination only on the basis of consent by other republics, that is, peoples and the approval of federal bodies. This is why we are rejecting the draft declaration on starting a new setup of relations in the Yugoslav community, which is being prepared by the SFRY Assembly Constitutional Commission on the basis of such an idea.

We advocated the stand that only republics as sovereign states that have never renounced their sovereignty can be partners in political talks about the solution to the Yugoslav political and state crisis and on the future position of the Yugoslav republics.

Reaching a Solution in a Peaceful Way

An important stand, although some republics consider it to be disputable, is the one that in the talks among the republics, federal institutions cannot be a partner that would possess some special interests apart from those of the republics, would adopt decisions on the behalf of the republics, and would arbitrate relations among them. Throughout the talks we maintained the stand that the solution should be reached in a peaceful and democratic way through an agreement among the republics. We pointed out that all use of force and threats with force, including those on the part of the Yugoslav People's

Army [JNA], should be excluded from the talks. We insisted the entire time that the JNA's depoliticization and its full withdrawal from political life should begin.

We and the Croatian leadership also offered talks on the possible constitution of a community of Yugoslav republics as sovereign states. We did not offer this by chance nor did we do so only because of the guidelines in the Statement on Good Intentions. One had to come to a conclusion—which would be clear and acceptable both to our public and the world public—that the leaderships of some republics do not consider a community of equal republics as sovereign states acceptable, and that the only thing they will consider is a federal state established in a more or less unitarian and centralist way made to suit the majority people, that is, a state in which the prevalence of its interests is ensured.

Readiness for and interest in a community of republics as sovereign states also exists in Croatia, for the time being only on a principled level. We suggest remaining open to discussions on the community of Yugoslav republics as independent and sovereign states with those who would like to establish such a community. At the same time, we suggest that, at least as far as Slovenia is concerned, the procedure of consentaneous division of the present SFRY should begin as soon as possible. This is a condition for Slovenia to become autonomous and therefore to make a sovereign and independent decision about a possible association into a community with other Yugoslav republics as sovereign states.

The proposal on a consentaneous division and the proposal on legal succession of the present SFRY is based on the stand that the Republic of Slovenia will become an independent state through separation and not secession from the present SFRY. With any republic having attained state sovereignty on the basis of the right of the peoples to self-determination, the present state SFRY would cease to exist. This is why, regarding legal succession, the new state, the Republic of Slovenia, has the status of equal successor to the present SFRY, something that applies equally to all those republics that would also decide to become independent and autonomous states. Moreover, this applies to those that would decide to establish a new joint state of two or more republics regardless of the mutual relations within this community or its name.

Slovenia as an Autonomous and Independent State

The Republican Presidency, together with the most responsible members of the Executive Council and the president of the Slovene Assembly, suggests that the Assembly adopt the resolution that suggests that the procedure of the consentaneous division of the SFRY should begin. It should send the proposal to all republican assemblies. They are the states that, together with the Republic of Slovenia, constitute the present SFRY. We also propose that the SFRY be divided into two or—if other republics also make this decision—more sovereign and independent states. The new states that will result from the division will attain all authority on their territories, will mutually recognize each other's full international subjectivity, respect each other's territorial integrity, and the inviolability of all borders. Regarding their mutual relations, the new states will recognize the regulations of international law, in particular the UN Charter and CSCE documents. The republics will carry out the process of division gradually, consentaneously, and according to the principles of international law, particularly those that have been included in the well-known Vienna conventions. In case of mutual disputes, the republics should recognize the respective international institutions.

After the consentaneous division, the Republic of Slovenia will be constituted as an autonomous, sovereign, and independent state. All its borders with Hungary, Austria, Italy, and Croatia remain unchanged.

The republics are the subjects of division. We suggest that we should inform the SFRY Assembly that the Slovene Assembly is opening the procedure on the division of the SFRY into two or more autonomous and independent states and thereby on the cessation of the existence of the present state of the SFRY. The SFRY Assembly should establish that this procedure has begun.

Numerous rules of international law and the practice of the international community do not in advance provide completely specific and practical answers to a number of questions regarding independence and separation, particularly regarding legal succession. Considering the Yugoslav reality, we must expect this process to be very contradictory, full of conflict, and long. Regardless of everything, we will try to ensure that the procedure is carried out in such a way that the legitimate interests of the republics and of the former joint institutions are not affected. This means that many negotiations would be needed: on the establishment of the position of the JNA and other relations concerning it, on taking over the operations of the National Bank of Yugoslavia, on dividing archives, etc. When implementing the plebiscitary decision, one should above all be consistent, resolute, and principled, and one should first do everything to avoid causing unnecessary conflicts due to decisions that were not thought through sufficiently.

We Are Not Forcing the Slovene Road on Anybody

One should therefore thoroughly think about our stands concerning the so-called transitional period, which will undoubtedly be necessary, among other things, due to material obligations to the institutions of the present joint state and other republics while we are still part of the federal state. This period will be extremely sensitive and we would have to set a reasonable deadline for it. Talks about this are being held at the moment between the Federal Executive Council and the executive councils of the republics.

We are convinced that such a proposal is democratic. We are not forcing anyone to take the road we have decided upon. We want to realize our vital and lasting interest based on our right to self-determination. We do not want to realize our rights to the detriment or at the cost of

equal rights of any other republic. We want a consentaneous solution and we are convinced that it is in everybody's interest, because only such a solution makes it possible for people to live in peace and security, does not endanger others, does not threaten peace and security, and is not contrary to the stands of the CSCE and the UN Organization. A consentaneous solution will have an important influence on the attitude of third states and the international community toward each of the republics, as well as toward any community in favor of which the republics may decide.

If other republics fail to adopt the proposal on consentaneous division, we would have to decide that Slovenia would become an autonomous and independent state without the republics' consent to the division of the present SFRY. In that case, Slovenia would separate without an agreement. Even under such conditions, we would maintain the stand that the SFRY has ceased to exist as a state and that concerning SFRY's legal succession, Slovenia has an equal position to that of all other republics. This less pleasant road should be decided upon at an appropriate time.

Peterle Presents Independent Slovenia's Budget

AU0703152691 Belgrade BORBA in Serbo-Croatian 6 Mar 91 p 3

[S. Sicarov report: "The Budget of an Independent State"]

[Text] Ljubljana—The government has proposed a budget that assumes Slovenia as a sovereign state. In the conditions in which we live, we cannot propose a budget that would satisfy everyone, and there is no point whatsoever to political haggling over one or other need or interest without considering the fact that the possibilities at this moment are limited and abnormal. The budget is not something that is eternal and permanent and, considering what could happen in our state and surrounding area, we are calculating that relatively few adjustments will need to be made to it. Regarding its size, the government sees only an even smaller budget as an alternative. Ladies and gentlemen, the hunt has begun.

This was the way in which Slovene Executive Council President Lojze Peterle concluded his speech to the deputies of the Slovene Assembly, after which they adjourned to discuss in chambers at separate sessions the four sets of documents that the government has submitted to them for adoption: on economic policy, developmental policy, a welfare program, and the budget for this year. The budget will be the main and, according to the prime minister, also the restricting factor in conceptualizing this year's policy, because it has been prepared at a time when Slovenia is assuming responsibility for most of the activities that have so far been financed through the budget of the federation. Regarding revenue, fiscal revenue will from now on be Slovenia's source of revenue and it will pay only a fixed sum for the financing of the federation, while it still exists. For expenditures, Slovenia will determine the priorities in an autonomous and independent way.

Expressed in figures, the government plans 73.9 billion dinars to finance the public spending of the Slovene Republic, of which 16.3 percent will be earmarked for financing the functions that have been transferred from the federation and 6.3 percent, that is to say, 4.6 billion dinars, will be given to finance the federation.

Concerning the question of how much the independent state of Slovenia will cost, Peterle stressed that financing functions that previously belonged to the federal state costs 12 billion dinars, which increases some budgetary expenses. Peterle said, however, that this is still less than what the outlay amounted to for these expenses in the federation, and he stressed that the sum envisaged for defense is 40 percent lower than the previous outlay for the Yugoslav People's Army and other defense purposes.

Regarding economic policy, Peterle stressed that the transformation of the economic system is under way, that a new taxation system has been adopted, that a draft law on privatization has been proposed to the Assembly, and that financial systemic laws and legislation for organizing economic relations with foreign countries will soon be reaching the Assembly benches.

Further, the government's policy would restrain the rise in salaries and keep increases in aggregate pensions in line with aggregate salaries. Protection of the Slovene economy would be a matter for the exchange rate policy, and the government will also endeavor to maintain the Yugoslav market on the principle of "clean slates."

The government's basic programmatic aims are the establishment of the state's own economic system and economic policy, which will reduce the losses in social product that result from the process of becoming independent, and this will be through the introduction of measures to increase foreign currency earnings, negotiations with international finance institutions, and negotiations with republics on the distribution of property and debts. Regardless of what the final agreement on future cooperation among the Yugoslav republics will be like, Slovenia wants to preserve and develop relations with all republics.

Out of the string of measures which the Slovene government has proposed to the Federal Executive Council, Peterle stressed the proposal for organizing economic relations in Yugoslavia, that was submitted on 27 February. As the only real possibility for preventing economic chaos, the Slovene government proposed to the Federal Executive Council that the present monetary policy be abandoned, and instead, the money issue would be increased in a precisely agreed way, so the republics will be on an equal footing. He stressed that the Slovene government is willing to settle all its debts between Slovenia and the federal budget for last year, and proposes a fixed sum for financing the needs of the federal state. In delineating financial obligations, Slovenia is prepared to assume its share of financial and

other responsibilities to foreign countries, but also demands appropriate entitlements. It also proposes "Starting Points for the Allocation of Property" for the allocation of the remaining property.

Slovene Proposals on Future Presidency Sessions

AU0603200491 Ljubljana NEODVISNI DNEVNIK in Slovene 2 Mar 91 p 4

[Tatjana Mandic report: "Negotiators Are Not Prepared To Negotiate"]

[Text] Belgrade, 2 Mar—The biggest part of yesterday's expanded SFRY Presidency session was dedicated to discussing the minimal program for the functioning of the state in the transitional period, which has been proposed by the Federal Government. It was agreed that the Federal Executive Council [FEC] will review its proposals and supplement them with opinions and stands of the republics. [FEC President] Ante Markovic will notify the Federal Assembly in case the government does not reach an agreement.

Taking part in the debate, [Slovene SFRY Presidency member] Janez Drnovsek warned that the present economic trends are very unpromising and lead toward the collapse of the entire economic system. In the situation when the level of productivity and the social product are falling rapidly while public spending is rising and capital is being transferred abroad, the first question asked is the one concerning survival. Therefore, this moment is not suitable for adopting big decisions concerning the system or for attempts to centralize the economy. The economic policy must concern itself with survival, because the question whether the republics will have any political will to adopt various points of the program, will soon be irrelevant. Instead, it will be the question of whether they will be able at all to gather enough resources to finance the kind of federation that some people envisage.

In the second part of the debate they agreed that republics should study a proposal on the technical procedure for separation from Yugoslavia. It became obvious during the debate that the demands of Macedonia and Bosnia-Hercegovina are closer to the confederal model of the future state organization. That is why Drnovsek, active in this part of the debate, once again explained the model and elements of the confederal agreement. Slovene Presidency President Milan Kucan repeated the Slovene stand on the future of the community. Drnovsek suggested that at its sessions in the future the Presidency should discuss the essential functions, the cooperation between republics, and not merely how different models should be called.

At the end of yesterday's session, they agreed that in the future they will discuss only the substantial elements of future intra-republic relations. Economic and security issues will be discussed at the next expanded session. One of the sessions should be dedicated to international relations and to human rights issues.

[The following passages appear boxed within the body of the item]

Tudjman Did Not Attend the Session

In his letter to [SFRY Presidency] President Jovic, [Croatian President] Tudjman explained why he did not attend yesterday's session. The reason for this was the condemnation of the letter that Tudjman sent to President Bush in January. According to Tudjman, such stands mean that the pressure Croatia and its leadership will continue. Therefore, he does not want to cooperate under such terms. In his letter to Jovic, Tudjman demanded that all members of the Presidency and other participants in yesterday's session should be informed about his letter. We have discovered unofficially that the aforementioned people did not receive Tudjman's letter....

Five Against Two

A statement was issued after yesterday morning's Federal Presidency session. The statement's conclusion says the statement was adopted with a majority of votes, the ratio being 5 against 2. It is not hard to guess who voted against.

Slovene Assembly Postpones Military Service Vote

LD0603184891 Belgrade TANJUG in English 1747 GMT 6 Mar 91

[Text] Ljubljana, March 6 (TANJUG)—A part of the legislative opposition in the Yugoslav Republic of Slovenia today [word indistinct] opposed the proposal of republican Defense Minister Janez Jansa for the republic to form a kind of its own army.

Slovenia's Defense Minister Jansa has proposed that Slovenes in future serve their military terms in the republican territorial defense and internal affairs bodies, and in the Yugoslav People's army "only exceptionally."

The Liberal-Democratic Party, however, demands that a moratorium be imposed on military service in general and that Slovenia be demilitarized. Liberal-Democrats claim that their idea is supported by the majority of the republic's population.

The Slovene Assembly today put off taking decisions on the proposals relating to the military service.

Under the constitution of Yugoslavia, the Yugoslav People's Army is one for all of the country and is under the command of the Yugoslav State Presidency. The territorial defense is also under the command of the Federal State Presidency, and the republics are not constitutionally entitled to have their own armies.

Commission Endorses Draft Defense Law

LD0703143391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1322 GMT 7 Mar 91

[Text] Ljubljana, 7 Mar (TANJUG)—The Slovene Secretariat for National Defense will ensure that recruits

from Slovenia are not sent to serve their national service in the JNA [Yugoslav People's Army], unless recruits wish it.

This is one of the key changes to the constitutional law regulating the defense in Slovenia. The law was endorsed today by the Constitutional Commission of the Slovene Assembly. At a joint session this afternoon, Assembly deputies will discuss the changes to the constitutional law, which stipulate that recruits will do their military sevice in Slovene territorial defense and police units.

Croatia Rejects Serbian Statement on Pakrac

LD0603190691 Belgrade TANJUG in English 1605 GMT 6 Mar 91

[Text] Zagreb, March 6 (TANJUG)—The government of the Yugoslav Republic of Croatia today fully rejected and qualified as "completely one-sided and arbitrary" the statement issued by the government of the Republic of Serbia in connection with the recent intervention of special Croatian police units in the Croatian town of Pakrac, which is predominantly populated by Serbs.

The conclusions adopted by the government of Serbia on Monday said that the intervention of special Croatian police units in Pakrac was aimed against the Serbian population in Croatia and was "a further step toward the destabilization of Yugoslavia and an immediate threat to a peaceful solution of the Yugoslav crisis."

In the protest note sent today to Serbian Prime Minister Dragutin Zelenovic, Croatian Prime Minister Josip Manolic said that "the democratically elected authority, the constitution, the legitimate institutions and the territorial integrity" of Croatia were "forcibly and unlawfully attacked" in Pakrac.

The government of Croatia accused the government of Serbia in today's note of inciting violent and armed actions on the territory of Croatia and endorsing the joining of the Pakrac municipality to the so-called Serbian autonomous region of Krajina in Croatia.

The Croatian government qualified the Serbian government's action as "impermissible interference in the internal situation and affairs of the Republic of Croatia," and accused the Serbian government of "Dangerously impeding a peaceful and democratic solution of the Yugoslav crisis."

After special Croatian police units intervened in Pakrac, the Yugoslav People's Army did so too in order to prevent serious inter-ethnic clashes between Serbs and Croats.

Interior Ministry Issues Statement

LD0603215491 Belgrade TANJUG Domestic Service in Serbo-Croatian 1958 GMT 6 Mar 91

[Text] Zagreb, 6 Mar (TANJUG)—Following Admiral Stane Brovet's address in the SFRY Assembly, where he said that members of the Ministry of Internal Affairs opened fire at members of Yugoslav Peoples' Army [JNA] units in Pakrac, the Ministry of Internal Affairs released the following statement tonight:

We strongly condemn such fabrications of facts, which Admiral Brovet used to misinform the public in his attempt to discredit our workers and fuel new tensions following the successful actions taken by the Internal Affairs forces to restore public peace and order in Pakrac.

The Ministry stresses that it is not true that the Federal Secretariat for National Defense ordered JNA units into action in Croatia on 2 March because it had learned that "someone had opened fire" in Pakrac, as Admiral Brovet states. On the contrary, full combat alert and movements of some JNA units began as early as one day before the intervention of the Internal Affairs units in Pakrac. One should also note that these JNA activities were explained by its official spokesmen as "a routine exercise."

The Ministry of Internal Affairs again stresses, for the sake of objective public information, that in the course of the events in Pakrac there were no armed clashes between members of the Ministry of Internal Affairs and the JNA, nor were there casualties, thanks above all to the discipline and professional demeanor of the forces of the Ministry of Internal Affairs. The following facts bear witness to this:

In the course of the events of 2 March, a column of four armored personnel carriers was positioned near the Pakrac hospital. At some point a burst of gunfire was fired from the fourth vehicle for no reason, forcing many eywitnesses to take cover and lie on the ground. Sheer luck ensured that no one was killed in this unsavory military incident.

As far as this event—which Admiral Brovet mentions in a very imprecise and lax manner—is concerned, the truth is as follows: Between 1900 and 2000 on 2 March, an armored vehicle of the Ministry for Internal Affairs was patrolling the town. Suddenly a group of three civilians appeared in front of the vehicle and opened fire with a machine gun. Afterward they fled into the dark. At the same moment there was a burst of gunfire from the same direction, as JNA members arrived.

Admiral Brovet should be informed that the civilians who fired at the Internal Affairs Ministry's armored vehicle did this from a zone that was occupied and guarded by a JNA unit, something the crew of the armored vehicle could not have known at that moment but has now become manifestly clear.

The Ministry for Internal Affairs stresses that its forces had been strictly ordered not to enter into any confrontation whatsoever with JNA members.

That JNA members were under no such orders is also borne out by their provocations when they halted ministry vehicles as they were approaching Pakrac. At 0930 on 3 March, two vehicles belonging to the police administration of Bjelovar were stopped on their way to Pakrac by a soldier who pointed his machine gun at the vehicles, while armored personnel carriers parked on each side of the road did the same with their revolving machine guns.

At about 1030 on 3 March, the statement says, a column of police vehicles led by a car with revolving flashlights was rudely halted by troops, who placed two armored vehicles across the road in front of the column and a third one behind it. At the same time all of their automatic weapons were pointed at the police motorcade carrying the delegation, that was going to have talks with representatives of the Pakrac municipal assembly.

The culmination of the deplorable conduct on the part of some JNA members took place on 4 March when they halted a column of police vehicles carrying Croatian Internal Affairs Minister Josip Boljkovac, who was on his way to Pakrac to have talks with JNA representatives, the Federal Secretariat for Internal Affairs, the municipality, and others. This road-blocking action was also carried out by placing JNA armored vehicles across the road and pointing their machine guns to underline their threats. Admiral Brovet, the official JNA representative, often invokes the Constitution and law, the statement concludes.

Union With Krajina Illegal

LD0603212291 Belgrade TANJUG in English 1942 GMT 6 Mar 91

[Text] Pakrac, March 6 (TANJUG)—The Constitutional Court of Croatia declared Pakrac's decision to join the so-called Serbian autonomous region of Krajina unconstitutional, Pakrac Municipality President Milan Bozic told journalists on Wednesday, without commenting on the court's decision.

Units of the Croatian Interior Ministry stormed into Pakrac, a town in the Republic of Croatia east of Zagreb, on March 2, and since a clash with the local population could have broken out, Yugoslav People's Army units intervened.

The situation in Pakrac is calm today. All shops are open, schools and firms are working. Armoured transporters, which had been placed outside the police station, have been removed.

Serbs are the majority population in Pakrac and the so-called autonomous region of Krajina is made up of municipalities in Croatia where the majority population are Serbs. However, the republican authorities do not recognize the autonomous region.

Several Explosions Reported in Dalj, Near Osijek

AU0603142991 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 6 Mar 91

[Text] As we have learned, the inhabitants of Dalj, near Osijek [Croatia] were disturbed again last night. In the last few months there have been many unpleasant events that significantly disturbed relations between Serbs and Croats.

There were several strong explosions in the center of the village. No casualties or damage were reported but a new psychosis has been created.

The authorities have not released any details in order not to influence the investigation.

New Serbian Minister Views Foreign Affairs

AU0603160191 Belgrade NIN in Serbo-Croatian 22 Feb 91 pp 10-11

[Dusan Miklja report on conversation with new Serbian Foreign Affairs Minister Branko Mikasinovic; place and date not given: "The Skill of Negotiating"]

[Text] The new Serbian Foreign Affairs Minister, Branko Mikasinovic, was very hesitant in agreeing to a conversation, believing that it would not be the right thing to do to discuss foreign policy before the [Serbian] Assembly had established its content and aims. This restraint by the new minister could be explained with the belief that words should not precede but should "come afterwards."

This kind of philosophy of life also determined the character of our friendly discussion that, surprisingly, revealed that even in complicated domestic and international circumstances, foreign policy must have national consensus. In other words, the widest participation of all political, social, and cultural factors is desirable in its formulation and application. It is also necessary to coordinate many valuable, but nevertheless individual and sporadic activities, so this is done with different instruments in a harmonious orchestra.

Recognized and well-known intellectual values can therefore have a significant role in the interpretation of Serbia's position in the world. We are therefore talking about a policy which lets it be known in advance that with the greatest modesty it will be open to all those who have Serbia's interests at heart.

The formulation of foreign policy as a national program implies, of course, a different view of its content and application. There is an obvious need for a quick opening up, just as it is obvious that the reasons for insularity in the past were not only a result of the prevailing circumstances. Out of the need for a more active presence in the world emerges the conclusion that full and all-encompassing relations should be nurtured with all foreign factors. Diplomacy definitely requires great concentration and a patient and persistent interpretation of one's own positions.

Does this mean that the time has passed for the kind of diplomacy that exhausted itself in spectacles? Such diplomacy no longer exists in the world anyway because foreign policy has considerably wider dimensions. It is obvious, for example, that the power of some countries directly depends on their mastering high technology. In one of his speeches, Mitterrand even compared success in this field with the victory at Austerlitz and failure with the defeat at Waterloo.

Diplomacy should, therefore, help the government recognize all the factors that have an effect on the position of a country. The foreign policies of the most developed European nations actually have this aim. The concept of

Europe and the road to Europe is after all often used in an extremely banal and even meaningless way. We cannot enter Europe with everyone. There is a Europe of the twelve members of the EC that is the driving force of development. This is not in the least bit accidental. To preserve independence and identity, Europe has created a strong core that, by using modern technology, endeavors to keep pace with other economic mastodons and to even overpower them.

Serbia's Important Strategic Position

This observation was the occasion to say something about Serbia's geopolitical position. Geographically, it is objectively and strategically important because it is on the Europe-Middle East axis. Even a fleeting glance at the map is sufficient to reveal other geopolitical advantages. For example, the Danube. This river could have a great role in the future because—by using linking waterways—one can get as far as Amsterdam. It should not be overlooked that Serbia is, because of both its geographical position and its historical tradition, a factor of stability in Central Europe and Balkans. Activity against Serbia and attempts to destabilize it can, therefore, be seen as attempts to undermine the collective system of security that was established at the Paris conference.

Although much time is required for final historical truths to be reached, one is prompted to compare this conference with the Vienna conference held more than a century ago after the fall of Napoleon. The differences are obviously considerable. In Vienna, the great powers shared the world. The Paris conference was, on the other hand, opened with an invitation to all nations to actively participate in creating new relations in Europe. Therefore, if someone attempts to destabilize Serbia, they would thereby be endangering the foundations of the collective security of Europe, particularly after the multiparty elections in Serbia, whose democratic character cannot be denied. In other words, a system was established whose existence and legitimacy do not depend on the parties in power. Any attempt to destroy such a system is basically also directed against the wider system of security that was agreed upon in Paris.

It is therefore important to continually stress that Serbia will not be the one to destroy the aforementioned security system. On the contrary, it wants to resolve all quarrels in a peaceful way, through negotiations. Serbia is, of course, determined to defend its interests and expects the country's foreign policy to be in line with them. Here, finally is a simple truth that, as a political stand, definitely has national consensus. In such an orientation, it is almost unnecessary to stress that negotiations do not mean succumbing to opportunism but acceptance of legal democratic methods that the international public also recognizes and even insists on.

The Fall of "Experts"

Can one nevertheless talk with more certainty about the foremost elements of activity regardless of whether it is formulated only as foreign policy and diplomacy or as a national program?

There is no need, after all, for any kind of mystification. Nobody had managed to foresee a string of tumultuous events that have taken place in the last few years, from the swift unification of Germany to events in the Soviet Union. It can even be said that actually these events marked the fall of "experts."

Do such swift events nevertheless prompt the need to abandon some historical if not prehistoric categories of diplomacy?

Here is another subject in which diplomatic thinking is compatible with the wide-spread beliefs of the so-called "wider public." It is worth making the effort to establish the best possible links with old historical allies. This, of course, does not have to relate to everyone equally because we cannot help but notice that not everyone has repaid good with good. On the other hand, some of our traditional foes are now undoubtedly democratic countries. In other words, we cannot bury our heads in the sand and not notice the changes.

We must, therefore, establish dialogue with everyone and seek solutions. What applies to states also applies to their diplomatic representatives. Serbia is prepared to politely and reasonably talk, but also to resolutely defend its interests.

It could easily be concluded from our friendly discussion that these interests also relate to our ethnic minorities in the world and all the numerous Serbs outside the country. They will be neither neglected nor forgotten.

From everything that has been heard, one can say that there is no point in complaining. On the contrary, the lost years must be quickly compensated.

We do not, unfortunately, have some basic things available—a documentation system, for example. We would have to have a data bank on Kosovo that could be used by any foreign journalist.

This is only one of the tasks which face us.

Is the government aware of the difficulties that await us in working out and applying a national program in foreign policy?

I would not like to speak on its behalf before it has done this itself in the Assembly. I am convinced, however, that it is aware and determined to persist in this.

Belgrade Police Warn Serbian Opposition Party

LD0603225391 Belgrade TANJUG in English 2023 GMT 6 Mar 91

[Text] Belgrade, March 6 (TANJUG)—The Secretariat of Internal Affairs of Belgrade warned today the Serbian

Movement for Renewal (SMR) [SPO], the strongest opposition party in the Yugoslav Republic of Serbia, that it might treat its announced demonstrations as "a heavy violation of public peace and order."

The SMR called its rally in Belgrade for March 9 to protest over what it announced as "non-objective informing by the Belgrade TV, subjected to the interests of the ruling Socialist Party of Serbia and the League of Communists Movement [word indistinct] parties which [word indistinct] to the former communist party. Participation in the called demonstrations was announced by six more Serbian opposition parties.

Belgrade police assessed that the SPO's demand, contained in its proclamation headlined "We have to liberate the Bastille," might "seriously affect peace and security of citizens and provoke the real danger of a heavy violation of public order and peace in the city."

In its notice to the SMR, the Belgrade police warned that "the SMR would be held fully responsible for all negative effects" and hence the demonstrations should not be held in the city centre but out of the city, in the place assigned for this purpose by the city assembly.

The police said that, if held in central Belgrade, the demonstrations would impede traffic, supply services, and the extending of urgent medical services.

Montenegro Issues Statement on Albanian Exodus

LD0603195991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1758 GMT 6 Mar 91

[Statement by Montenegro's Information Secretariat in Titograd on 6 March]

[Text] Titograd, 6 March (TANJUG)—The statement emphasizes that the Montenegrin government has comprehensively considered the problems stemming from this issue, from the international and legal point of view, while bearing in mind that this is not just a political question but also a matter with far-reaching material consequences. All the more so because, according to the information available, the arrival of up to 25,000 citizens of Albania—members of the Serbian and Montenegrin peoples—can be expected.

The action of the Albanian authorities conveys the conclusion that not only is nothing being done to halt the attempt of members of the Serbian and Montenegrin peoples to come to Yugoslavia, but that this is actually being encouraged in an organized way, something that raises a series of issues under international law.

Bearing all this in mind, and having this information at its disposal, the Montenegrin government has addressed the Federal Executive Council [FEC] with its own proposals, because the solution to these questions requires an agreement between Yugoslavia and Albania. The FEC will take measures and actions on which it will inform the public in a special statement.

The statement also says that the Montenegrin government knows of reports that firearms have been fired from Albanian territory, in the course of which bullets also landed on Yugoslavian territory. An official demarche has already been despatched to the Albanian side. According to available reports, there have been no deaths or injuries among the members of the Serbian and Montenegrin peoples who intended to reach Yugoslavia, nor, apparently, have they been subjected to any physical coercion.

In conclusion, the statement stresses that the republican government has to await FEC policies on these issues, a fact that has resulted in a lack of official information and various assumptions and speculations, including misinformation, in some of the media.

Ethnic Montenegrins, Serbs Seek Entry

LD0603134991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1308 GMT 6 Mar 91

[Text] Titograd, 6 Mar (TANJUG)—TANJUG has learned that a group of 1,000-1,500 Montenegrins and Serbs living in Albanian areas along the Montenegrin border have persistently been trying to enter Yugoslavia at the Bozaj border crossing near Titograd. For the time being they are prevented by Albanian border guards and soldiers who resort to threats and shooting in the air. The reason for this "exodus" from Albania by members of the Montenegrin and Serbian nationalities, their relatives in Montenegro stress, is the refusal by Albanian authorities to allow them to settle their nationality rights and to receive their education in their mother tongue. The Montengrins, mainly from the village of Vrak, arrived by bus and truck in Bajza from Shkoder, from where they walked to the village of Vukpalaj, where they were stopped by Albanian border guards. Despite the fact that bursts of rifle shots were fired over their heads, they broke through the line of soldiers and continued their way to the Bozaj border pass where they are awaiting a decision by Albanian and Yugoslav officials' for permission to enter our territory.

More Than 1,000 Albanians Cross Border

AU0603150991 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 6 Mar 91

[Text] With the consent of the Montenegrin government, more than 1,000 Albanians of Serbian and Montenegrin origin crossed over into our country at Bozaj near Titograd today. The Albanian authorities fired shots over their heads in a vain attempt to prevent them from crossing and to frighten them off.

A new wave of arrivals and refugees from Albania into Yugoslavia is expected.

Problems Dampen Hope for April Census in Kosovo

LD0603174991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1024 GMT 6 Mar 91

[Excerpt] Pristina, 6 Mar (TANJUG)—As census time in Yugoslavia approaches, it is increasingly doubtful that

this immensely important social and state task will be carried out in Kosovo and Metohija. The key question is whether Albanians will allow census-takers to enter their houses and whether they will agree to give data relevant for the success of the census.

Additional dilemmas were added by the recent reactions of the Kosovo Academy of Science and Arts and the Kosovo Democratic Alliance. The academicians maintain that in the given circumstances, it will be possible to conduct the census "only by creation of necessary conditions for its implementation." By this they mean the return of 120 ethnic Albanian workers who at their own initiative left their jobs in the Provincial Statistics Institute some time ago.

Demands made by the Kosovo Democratic Alliance are much higher. Its categorical stand is that "according to the SFRY Constitution, the Kosovo Assembly and its bodies have the competence to conduct the census and process the census data, and due to the fact that the Kosovo Assembly is not functioning the census should be postponed".

The Provincial Statistics Institute and other governmental institutions stress that it is not difficult to conclude that this census will be used for political conditioning and forcing Serbia to "withdraw" from Kosovo and Metohija, that is to recognize the "independence and autonomy" of Kosovo in accordance with the Kacanik constitution.

The Provincial Statistics Institute stresses that it, as a scientific institution, neither will nor can accept any conditioning. To avoid any doubts and in an agreement with the Federal and the Republican Statistics Institutes, a decision has been made to employ two census takers for every census station. One of them will necessarily be ethnic Albanian and the other one a member of other nationalities, depending on the national structure of the census area.

A particular difficulty, however, is finding 12,000 census-takers instead of 6,000—especially that half of the team to be composed of ethnic Albanians who closely follow suggestions of their scientific and expert organizations. [passage omitted]

Union: Albanians in Kosovo To Return to Work

LD0603223191 Belgrade TANJUG in English 2123 GMT 6 Mar 91

[Text] Pristina, March 6 (TANJUG)—Representatives of the Union of Independent Trade Unions of Ethnic Albanians in the Yugoslav Province of Kosovo on Wednesday announced that all laid-off ethnic Albanians would return to work.

Union president Hajrulah Gorani told a news conference in Pristina that he did not know whether this would make the authorities employ them again, but said that the laid-off workers would go to their (former) jobs every day.

According to the union's figures, there were 1846,854 ethnic Albanian workers in Kosovo, and 51,381 lost their jobs in less than a year.

According to labour legislation of the Repbulic of Serbia and other Yugoslav republics, a worker who, without a valid reason, fails to come to work from three to seven days is laid off.

The authorities of the Republic of Serbia, of which Kosovo is a part, introduced emergency administration in many firms accross the province so as to put an end to a wave of political strikes by ethnic Albanians and financially rehabilitate firms which had recorded great losses.

The Union of Independent Trade Unions, as well as many ethnic Albanian opposition parties, called on workers not to go to work and thus boycott the republican government's decisions.

February Retail Price Inflation Rates Released

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[Text] Belgrade, 4 Mar (TANJUG)—According to representatives of the Federal Statistics Institute at today's news conference, February inflation was 9.2 percent.

The retail price increase in February, compared with that in January, was largely due to a 23.1 percent increase in the price of agricultural produce. Prices in the service sector rose by 11.9 percent and in the industrial sector by 8 percent.

February retail prices increased by 40.3 percent compared with last year's average; 58.9 percent compared to February last year; and 15.3 percent compared with December 1990. Compared with the same period last year, combined inflation for January and February of this year was 62.3 percent.

Milorad Krunic, assistant director of the economic statistics department of the Federal Statistics Institute, stressed that inflation would have been even higher without government intervention measures to restrict demand. He also warned that if restrictions on public expenditure and wages are not adhered to, target inflation forecasts will not be reached.

The February cost of living in the country was 11.5 percent greater than January, 67 percent higher than February last year, and 46 percent larger than last year's average. Compared with the same period last year the cost of living for the first two months of this year rose by 67.8 percent.

Above-average cost of living increases for February were recorded in the following places: 16.1 percent in Serbia proper, 14.7 percent in Vojvodina, 12.5 percent in Macedonia, 12.3 percent in Montenegro. Other figures included 5.5 percent in Kosovo, 8.2 percent in Slovenia, and 9.9 percent in Croatia. [No figures given for Bosnia-Hercegovina]